Daily Report

Latin America

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Shridath Ramphal Named Brandt Foundation Head

FL0611165890 Bridgetown CANA in English
1557 GMT 6 Nov 90

[Text] Bridgetown, Barbados, Nov 6, CANA—The former secretary-general of the Commonwealth, Sir Shridath Ramphal, has been placed in a new role as the first executive head of the newly created "Willy Brandt International Foundation."

Named after the former German chancellor and Nobel Peace Prize winner, the foundation is to "further the goals of a peaceful, just and habitable world."

Ramphal, a former attorney general and foreign minister of Guyana, currently attending a seminar here in Barbados on Europe-Caribbean relations beyond 1992, is chairman of the Independent West Indian Commission which is helping to prepare the West Indies for the future.

In explaining the work of the Brandt Foundation, on which some heads of government and other renowned figures sit, Ramphal said it would further global issues of concern to human society.

"The old distinctions between East-West and North-South issues, disarmament and development, environment and humanitarian issues, were losing their validity," said Ramphal, "as the issues themselves were seen to be interlocked and the perception of a global neighbourhood became unavoidable..."

The other founder members of the foundation, which will function under a board headed by Brandt, are:

Ingvar Carlsson, prime minister of Sweden, Vaclav Havel, president of Czechoslovakia, Robert McNamara, former president of the World Bank, and Carlos Andres Perez, president of Venezuela.

The board will ultimately comprise 20 members, all eminent in their fields, with the foundation functioning as an international think-tank on global issues and in other ways.

First Southern Cone Deputies Conference Ends

PY0611180990 Madrid EFE in Spanish 0036 GMT 4 Nov 90

[Text] Valparaiso, 3 Nov (EFE)—The First Southern Cone Deputies Conference ended today with an agreement to promote a thorough reform of the Latin American Parliament, which is not fulfilling the purposes for which it was created.

The 46 congressmen from Argentina, Bolivia, Brazil, Paraguay, Peru, Uruguay, and Chile who attended the conference have agreed to work toward the integration of Latin America.

A document was released after the two days of deliberations which confirmed that the integration of Latin America is a necessary for regional development, and an inevitable commitment for the respective governments and national congresses.

The document says that the conditions for an effective process of integration are improving, and that the democratic participation of the people in that process is a factor of its legitimacy and a requirement for its success.

The congressmen warn, however, that the various legal instruments that regulate the integration agreements do not provide for congressional participation in the composition of the organizations that will study and execute the projects. They add that the effective implementation of projects should be democratically based on the concerted action of the national congresses.

To that end, the conference delegates noted the necessity to strengthen the Latin American Parliament, which was created precisely to expedite and to further the integration process.

Carlos Dupre, the president of the conference organization committee and first vice president of the Chamber of Deputies of Chile, affirmed that the Latin American Parliament's objectives are not being fulfilled because its structure and functioning are not adequate for the needs of the region.

Dupre indicated that it was agreed to promote, on this basis, a profound reform in the structure, functioning, and mechanisms of instituting the Latin American Parliament. The Brazilian deputies proposed that delegates to the Latin American Parliament be elected directly by popular vote; this proposal was accepted in principle and will be discussed by each nation's national Congress.

Today the conference participants were hosted by Chilean President Patricio Aylwin at the Cerro del Castillo presidential residence in Vina del Mar.

Cuba

Castro Tours Food Program Sites on Red Sunday

FL0611170090 Havana Tele Rebelde Network in Spanish 1130 GMT 6 Nov 90

[Report on President Fidel Castro Ruz' tour of camps in Havana Province on 4 November]

[Text] Commander in Chief Fidel Castro on Red Sunday toured various projects and camps in Havana Province linked to the food program. In the course of the tour, he had an extensive and lively exchange of impressions with workers who are participating in agricultural projects and in the construction of housing camps and other facilities.

In his tour of the Municipalities of Guines, Melena del Sur, and Batabano—for part of which he was accompanied by Hugo Navajas Mogro, president of the Group of 77—Fidel personally checked the progress of the camps for workers being brought from Havana City, and the preliminary results of the harvest of tubers and vegetables. He also saw the enthusiasm and working spirit of the hundreds of men and women engaged in this essential task.

Fidel's tour began in the morning in the areas where students of the United States of Mexico IPUEC [Preuniversity Institute in the Countryside] were working. He then visited the El Paraiso camp, which is under the National Committee of the Union of Young Communists [UJC]

[Begin recording] [Worker at El Paraiso camp] I look after agriculture, the food program.

[Castro] And agriculture looks after you, by chance? [Laughter]

[Worker] And agriculture looks after me.

[Castro] It provides you with what you need?

[Worker] Yes, it does. It gives me, above all, a lot of faith and a lot of confidence to continue struggling.

[Castro] That is what we are doing.

[Worker] That is what we are doing. I would like to ask a question...

[Castro, interrupting] I can see that there is a revolution under way in the countryside.

[Worker] Of course.

[Castro] Yesterday, I was in Nueva Paz. I visited some camps. I visited the Blas Roca camp. I visited the builders of a camp in El Jucaro. I also visited the builders of a camp that is established in Penichet, near Nueva Paz. There is a new miscellaneous crops enterprise there. These were sugar cane areas that were converted to other products, and have been well planted. It pleases one to see it. Plantains have been planted right up to the edge of the highway. Everything is being used. One sees a different image there.

[Reporter] A while ago, we passed through the area where the 30th Brigade is located. There is a great deal of enthusiasm there with the 50 caballerias that are being prepared for...[changes thought] I was thinking of something. The workers told me that they were builders and they were told that they had to become farmers.

[Castro] To sow those 50 caballerias, one has to be more of a builder than a farmer, because that land was full of stakes, cables, and all kinds of things. First one has to build the camp, and then the town where the workers of this enterprise are going to live. The contingents have to build the town, because we are planning on 31 towns for the miscellaneous crops enterprises. We are planning to have the contingents, with the support of other forces, build the towns while they are there. In the future, it will not be the contingents; it will have to be workers who accomplish this with those habits and that active discipline. Therefore, we are planning to establish nice communities with all the conveniences.

[Reporter] Then you plan for other brigades to become involved?

[Castro] The Micons [Ministry of Construction] will have two; each municipality will have one; the youths will have another; the CTC [Cuban Workers Federation], another; the people's government of Havana, another; the people's government of Havana Province, another; the youths of Havana Province, another. There will be a total of 26.

[Reporter] Commander, at present, the students of the United States of Mexico School here in Guines municipality are also participating actively in the food program self-sufficiency plan.

[Castro] Yes, that is right. I was talking with the administrator of the enterprise. We are surrounded by plantains here, and plantains are not suitable work for students, because it is an all-day continuous task, morning and evening. It is necessary to carry the bunches a little distance, 10 meters or five meters. It is very technical, and it requires a permanent work force. I asked the foreman how much land was left here for students, because we can not do without the students, because they have been the soul of agriculture throughout the years when we were lacking a labor force, because the lazy workers went looking for comfort, and sought work inside in the shade, in factories, and above all, in offices. There began to be a great shortage, and then we discovered the students this spring as a way of recovering from the losses due to the heat and the white fly. A great amount of planting was done, and the fields became overrun with weeds. It was clearly seen that the solution to the problem of agriculture would be a labor force, and other things, of course.

We have a number of ideas in this regard: Not just building communities as good or better than those of Havana, but also to provide better wages in the countryside than in the cities, and other ideas that we are developing to find a permanent solution to all these problems, because here, there is a lack of personnel for these crops, while in the cattle enterprises, there was an excess. Those people even prefer to work in the cattle enterprises.

Above all, the towns were filled with people who work in the shade, and we have to find a permanent solution to Havana's problem. This transfer of workers will continue for four or five years, but I hope that by the end of four or five years, we will have the communities with from 8,000 to 10,000 housing units built. Thus, that is why the contingents have to be builders.

I hear that you are rapidly filling bags there.

[Worker] And we are clearing the land. We were clearing land up to yesterday.

[Castro] A whole day here?

[Worker] Yes.

[Castro] Good, continue setting an example.

[Worker] Ours is a vanguard brigade.

[Castro] A vanguard, eh? Moreover, you are from Guajiro in Guantanamo. Who could know more than you about plantains? [laughter] Well, you will excuse me. I have to look at other things, and you have bags to fill.

[Workers] Yes.

[Castro] Very well. Thank you very much. So long, comrades. [applause]

[Castro, at the Blas Roca contingent, 30th Brigade] Has the contingent by chance recruited some people from Nueva Paz?

[Worker] From there, yes. And there are also new recruits here. There are about three. There are three.

[Castro] Look, there is no need for a beauty shop. See how well coiffed she is.

[Several workers] She is a beautician. She is already cutting hair here. She is the beautician here. She has already cut almost everyone's hair.

[Castro] Doctors are lacking. But you are from the 30th Brigade.

[Worker] There is a medical contingent that specifically treats the 30th Brigade, as well as all the brigades from the entire area.

[Castro] How many men have you here?

[Worker] Two hundred and forty-eight.

[Castro] In total, counting both men and women?

[Worker] Both men and women.

[Castro] How many women?

[Worker] Sixteen, so far.

[Castro] That is very few. Actually your beauty shop could handle 50.

[Worker] Oh, but there will be 50. More will be brought. But the same person is the beautician and the barber. She does both things.

[Castro] But the bad thing is that she could put one of those rollers into a workman's hair. She could make a mistake, doing both things. [laughter]

[Castro, pointing at building plans] This is very nice.

[Worker] This is a dining room. It is not very big; it is small.

[Castro] But this is a restaurant.

[Worker] This can compete with any restaurant. That has to be done in the countryside. That is what we need in the countryside.

[Castro] Well, you know a lot. [laughter] You know that because you are from Guajiro, right?

[Worker] No, I never lived in Guajiro, but I have Guajiro sentiments. We are going to put a microjet here, a little place with a microjet, which will be better. When the comrades sit down, they can enjoy a small interior patio.

[Reporter] Do you think that too many areas are under the control of a single agricultural crop enterprise? Could this not make things more difficult for the worker's leadership?

[Castro] It depends on the organization. If it is organized into farms, they are much smaller. How many farms do you have?

[Worker] Four farms.

[Castro] That is some 60 or 70 caballerias on the average. Well, one has to look at the people. I wonder whether or not the contingent is directing and exploiting this farm of 65 caballerias of plantains. You will see about plantains. We will see who will eat all the plantains that these people are going to produce. [laughter] I want to see this, as long as we do not have hurricanes. I make this qualification, because that is the only risk that affects all crops, particularly the plantains because of their nature, and the size of the investment.

We have made studies to determine what must be done immediately when there is a hurricane. Of course, it causes us to lose months of production, because many of the aerial hoses of the microjets might be blown away. We have to see what happens in a plantain field like this one. One cannot fail to take this into consideration, because although 10, 15, or 20 years might go by without

this happening, one has to be prepared for it. How do we defend ourselves? We have fields from Artemisa to Matanzas. Therefore, a hurricane that passes through Pinar del Rio, for example, might affect that area, but not this one, or it might pass through Matanzas. If they pass through the central area, some big hurricanes could affect all the plantain fields. However, we have already calculated the production capacity of each hose. It has to be greater than what we need, so that when there is an emergency of that kind...[changes thought]

Of course, one has to spend money immediately to buy raw materials and all the things that a hurricane might destroy. It does not destroy the plantation. We believe that it will not remove the stakes. I assure you that no hurricane will pull up the stakes. Some cables and other things will always be lost in those cases, and we already have a strategy for the immediate recovery of the plantation. It will not be necessary to replant. It will not be necessary to bury the pipes again. It will only be necessary to work on what we could call the aerial part, the reconstruction of the aerial irrigation system. I believe that since this is on the surface, it might withstand a hurricane, but we will have to see when one occurs, and let us hope that there will not be one for a long time.

Now, another defense strategy: To have plantains all over the country. Throughout the country, we will have some 2,000 or 2,500 caballerias by our estimates. Of these, some 600 will be in Havana. Therefore, 25 percent will be here. There will be large plantations in Ciego de Avila. There will be plantations in Pinar del Rio, Matanzas and Cienfuegos. So, if a hurricane passes through one province, they will help each other.

There are plans for a surplus of plantains. It is planned for. Moreover, plantains are a product that have a worldwide market. If we have a surplus, we can find a market for the plantains. We always have to try to have more than we need. If we try to produce exactly as much as we need, any mishap will produce a shortage.

[Reporter] Has this been a success?

[Castro] What, just this Sunday?

[Reporter] Right.

[Castro] No. These people have been transported for all the days of the year. We are bringing people here for the entire year, not just for Red Sunday. These people will have a red year. I believe that they will have a red five-year period. Goodbye, technicians, and congratulations.

[Worker] We will expect you here, commander.

[Castro] Goodbye, technicians. Goodbye, technicians.

[Worker] We are awaiting you here on the 31st, commander.

[Castro, at Bizarron construction camp] You are the head of what troop?

[Worker] I am director of the municipality.

[Castro] Ah, you are the director of the municipality. You are on a visit today.

[Worker] No, I am working on the project.

[Castro] Ah, you came to build this camp.

[Worker] Yes, to work on the camp.

[Castro] Well, some remain to be completed, right? What others are to be built?

[Worker] There is another one that is built here in San Antonio, from the first stage.

[Castro] But the second stage remains.

[Worker] Two more remain.

[Castro] Look, if we want to have plantains, potatoes, vegetables, yucca, sweet potatoes and all that, we have to make the camps. We have already won half of the fight.

[Worker] Of course we have.

[Castro] We have won half of the fight.

[Castro] Did you get dressed today for work, or for Red Sunday?

[Worker] I came to work.

[Castro] Well, I believe that now we are going to have tubers and vegetables. What do you think?

[Several workers] Yes, of course.

[Castro] Sixty of these camps.

[Worker] We are completing them, commander.

[Castro] Is he the boss?

[Worker] Yes, he is.

[Castro] Is that why he is fat?

[Worker] No, no, commander.

[Castro] And you, how come you are wearing that shirt? Are you an athlete?

[Worker] This is from the Julio Antonio Mella contingent. These are the people who were sent to us.

[Castro] Without them you would not have finished?

[Worker] Well, they helped a lot.

[Castro] How many came from the Julio Antonio Mella?

[Worker] Nineteen, no seventeen.

[Castro] Did they work well?

[Worker] A good job.

[Castro] When did they arrive?

[Worker] From the first days.

[Castro] Do they eat a lot?

[Worker] But they work hard. They have had an average, as the production director has said, of 2,040 pesos a day. [as heard]

[Castro] Well, as I was asking the foreman, when we have the towns, what are we going to do with the camps? They will be good for something, right?

[Worker] There will always be some use for them.

[Castro] These are some of the best camps within their limitations. We did not air-condition them because of the fuel crisis, and one air conditioner would use as much fuel as about 20 of these devices.

[Worker] Well, there is no comparison between these and the former camps. Those of us who have some years experience and have lived in the old camps think, as one comrade said, that this is an opportunity, because it is virtually a hotel.

[Castro] And do they serve good food? Are there good cooks?

[Worker] Well, no one is (?complaining) [laughter]

[Castro] Well, at least the weather is pleasant. And if there are no mosquitos or other bugs...[changes thought] You didn't have to be here in mosquito season; you were lucky. Well, goodbye comrades, best wishes.

[Castro, at Coquito Dulce camp] How did it go? Were you in the garlic fields? You planted a lot of garlic? Do you know if the director of the enterprise was over there?

[Worker] Yes, he was there this morning.

[Castro] I sent for him, but I was on my way to another camp. I did not know that this was here. I saw the sign and decided to come in. It looks good. You look strong and healthy. One can see that you have been working. How far beyond the goal are you?

[Worker] We have been reaching 120 or 140 percent of the goal, approximately. We were working at another place. We were formerly at El Chombo, where we were doing 200 to 220 percent of the plan.

[Castro] You are doing a useful job, right?

[Worker] Yes.

[Castro] You are not wasting time?

[Worker] No, no, no. We are even working from very early in the morning until late at night.

[Castro] And now, what are you going to do? Are you going to swim or play volleyball?

[Worker] We are going to play for a little while, and relax, and cool off a little.

[Castro] What time is lunch?

[Worker] About 1300, more or less.

[Castro] Darn it, and we believed that we would lunch earlier, here.

[Several workers] No, but you are invited. Be our guest.

[Worker] One of our comrades has a birthday, today.

[Castro] Who is it?

[Worker] Marlene.

[Castro and workers sing happy birthday and applaud]

[Castro] What could be better than to have a birthday today, on Red Sunday, and in a youth camp?

[Worker] I am hoarse, I cannot talk a lot. It is from working so hard.

[Castro] We are very grateful, because we have survived thanks to you here.

[Worker] And we thank you for this visit.

[Castro] We came to this camp at 1300, which was the best time.

[Worker] We thank you for this visit. It encourages us even more.

[Castro] You are setting an example here. You are showing by example that one can work hard and be healthy.

[Worker] We are present, commander. [Workers shout slogans and applaud]

[Castro at El Novo camp] You are city workers, with a lot of enthusiasm. You are from central Havana.

[Worker] Yes, from central Havana.

[Castro] Very good, from El Centro supermarket. And how often will you come here, twice a year?

[Worker] No, three times. We will return in January.

[Castro] You plan to come back in January? And what is the situation here like?

[Worker] Very good, very good. There are many cultural activities, especially for us women.

[Castro] And how many hours do you work?

[Worker] Well, we work many hours, about 10 hours.

[Worker] They work until late afternoon.

[Castro] I see that you dressed up. [laughter] Did you think that I was coming here today?

[Worker] Yes, we expected you.

[Castro] How did you guess? Did you hear over the radio that I was making a tour?

[Worker] No, but today is Red Sunday.

[Castro] Of course, and I could not forget you. [Workers clap and chant: "Fidel, Fidel."] Well, one can see that your camp was fixed up, right? [laughter] Of course. And this pennant?

[Worker] That is for you, on behalf of the women and in the name of the El Novo camp.

[Castro] Thank you very much. [applause]

[Castro] And you, little nurse, when did you graduate?

[Nurse] This year.

[Castro] Ah, this year, and you immediately got assigned to a troop like this one, of veterans, of fighters, of revolutionary workers?

[Nurse] I had already been familiar with all this.

[Castro] Do you not feel great respect for these people?

[Nurse] Of course. We treat them very well.

[Castro] What are your feelings toward these workers?

[Nurse] The best possible.

[Castro] You treat the ones who are sick, but not those who can work.

[Nurse] No, they work.

[Castro] They leave their homes and come here. They are responding to the call to produce food for two million people. We have to produce food even for the lazy. [laughter] That is what hurts, to have to feed the lazy and the parasites. If we do not give them food, they will say that we are violating their human rights. [laughter] We have no choice but to produce plantains for more than one loafer out there.

[Worker] That is right.

[Castro] But there is a difference. We are happier. They cannot be happy being loafers, unless those people do not have the values of ethics, of a social role, of love for the revolution, or love for work. Anyone who does not love to work is a scoundrel. One cannot be happy as a loafer. Therefore, we even produce for the loafers, but we are happier than they are.

[Worker] Right.

[Castro] And we have better digestion than they do.

[Worker] How is that?

[Castro] A person who works has better digestion.

[Worker] Of course.

[Castro] Listen to this. He who works sleeps better.

[Worker] Of course.

[Castro] And he who works enjoys everything more. If he takes a soft drink, he enjoys it more, and if he drinks a beer, he gets even greater enjoyment. Do you understand? And what about the idler? He does not know what it means to work, and anyone who does not know what work is, does not know what happiness is. [applause]

[Reporter] At the end of this day, what could you say to the one or two pessimists out there, if it is worth your while to say anything?

[Castro] No, I would tell them nothing. I prefer to wait and see the results. [laughter] I prefer that they wait. Those pessimists must stew in their own juices.

[Reporter] And to optimists?

[Castro] Ah well, the people are optimistic. The people believe, and the ones who are here—these people who have transferred to agricultural tasks—are the greatest believers, because they can see what is happening. They see the change. These people here from central Havana, in the fourth biweekly period, can already see the changes from the time when it was necessary to use a machete to cut down a tall weed in order to find a cucumber below. Now, they are entering an agriculture that is productive, despite the weeds. This is encouraging, right? [applause] [end recording]

Havana Notes Gorbachev's Red Square Speech

FL0711140390 Havana Tele Rebelde Network in Spanish 1200 GMT 7 Nov 90

[Text] Soviet President Mikhail Gorbachev today reiterated in Red Square his position against any kind of distortion of socialist ideas. The speech given by the leader of the USSR, which lasted about 12 minutes, also called on the people not to sow panic because of the concerns arising from the reform process, and reiterated that the country has all the necessary resources to make the transition to a market economy and to guarantee cooperation in a renovated federation.

At the conclusion of the president's speech, Defense Minister Dmitriy Yazov reviewed the troops in the square and ordered the start of the parade, in which about 8,600 troops participated. The military parade ended with SS-25 missiles, the most powerful missiles displayed in a parade of this kind.

After the military parade, Gorbachev, the heads of the Soviet Government and Parliament, and other high-level officials headed the traditional workers' demonstration.

In addition to the ceremonies held this morning and contrary to what was recommended by the Supreme Soviet, two other counterdemonstrations will take place today in Moscow.

Soviet Ambassador Praises Bilateral Relations

FL0711134090 Havana Tele Rebelde Network in Spanish 1247 GMT 7 Nov 90

[Interview with Soviet Ambassador Yuriy Petrov by Ismael Tantau, in Russian with simultaneous Spanish translation; place and date not given—recorded]

[Text] [Tantau] In view of the international changes that are occurring, Comrade Petrov, how do you see Soviet-Cuban relations?

[Petrov] It is true that there is a lot of speculation now regarding Cuban-Soviet relations. Sometimes, people even talk about very radical things, such as that the USSR will leave Cuba, but with all sincerity, I want to tell you that those statements have been fabricated. The Soviet Union will remain alongside Cuba. We have many years of joint work ahead of us. We will know how to overcome the difficulties we have in each of our countries, and we will find the paths that lead us to even greater progress.

[Tantau] Cuba has made progress in the fields of genetic engineering, biotechnology, and in the production of vital technical measures in medicine. What kind of prospects do these things have in the Soviet market?

[Petrov] I think that the prospects are very good. This year, the supply of Cuban medications is valued at tens of millions of rubles. Now we are drafting the agreement on next year's medical supplies and machinery from Cuba. That agreement is valued at 800 million rubles.

[Tantau] It would be interesting, ambassador, to know what you think about Cuba's treatment of the children affected by the Chernobyl nuclear plant accident.

[Petrov] I want to reiterate that I think very positively, very highly of this work. More than 2,000 children have received treatment. I think it is necessary to stress not only the high level of Cuba's medical achievements, which are are at the service of these children, but also the results of the medical attention rendered. We can say this based on the results, on what we have seen. Each day, the children are happier—you can see it in their eyes—although we previously did not have the statistics available on the scientific research but we have them now and these statistics show us that the results have been very positive.

Exiles Petition Castro To Abandon Stalinism

PA0611163990 Panama City ACAN in Spanish 2039 GMT 5 Nov 90

[Text] San Jose, 5 Nov (ACAN-EFE)—Two exiled Cuban leaders in Costa Rica have asked Fidel Castro to abandon his "staunch Stalinism" and to make way for the democratization process, such as has taken place in East Europe and Nicaragua.

Ricardo Bofil and Rene Diaz, members of the Cuban pro-human rights committee, demanded today in San Jose support of the "Madrid Declaration" presented as an alternative to Castro's rallying cry of "socialism or death."

The document issued two months ago in Spain is intended "to end totalitarian communism in Cuba" through peaceful means.

The Cuban politicians, who arrived in Costa Rica from the United States, told the press that they are part of an organization comprised of Christian Democrats, Liberals, Social Democrats and Conservatives linked to the four major world organizations.

They were making reference to Socialist International, Conservatives International, the Christian Democratic International, and Liberals International.

To attain peace and liberty in Cuba, the exiled Cuban leaders specifically stated that they would only accept the people's will expressed through a referendum, a plebiscite, general elections, or some another manner that can determine the consensus of the broad political spectrum, from the government to dissidents.

In an effort to obtain support for their initiative and to deliver a document that contains—according to them—300 affidavits signed by victims of the Castro regime, Bofil and Diaz held meetings in Costa Rica with political leaders, directors of human rights organizations and universities, and diplomats.

UN Delegate Claims U.S. Rejected Drug Accord

FL0711124090 Havana Tele Rebelde Network in Spanish 1200 GMT 7 Nov 90

[Text] Cuba has said that the United States has rejected several Cuban proposals for a bilateral agreement on the joint confrontation of narcotrafficking.

In a speech on this topic at the UN General Assembly, Cuban delegate Amado Soto said that Havana has signed bilateral agreements with several countries this year, and similar ones are being drafted with other countries. He said that Cuba will continue this policy even though the United States, the owners of the largest drug-consumer market in the world, has rejected our country's repeated proposals to establish an agreement on this issue.

Soto also said that during the last 20 years, Cuba has imprisoned 422 narcotraffickers, 200 of whom were U.S. citizens or Cubans residing in the United States.

Storekeepers Implicated in Embezzlement Scam

FL0711031990 Havana Radio Rebelde Network in Spanish 0000 GMT 7 Nov 90

[Text] Some 1 million pesos in raw materials have been embezzled and diverted from the national economy for personal gain. Fourty-seven grocery store tenders, five drivers, and two employees of the territory are involved naughty case, as called by agents of the economy police in Bayamo, Granma Province.

The main authors of this case forged raw material transportation vouchers without coming up with the merchandise and took the money collected for over one year. They also altered the number of containers in the buying and selling of raw material in various grocery stores. The criminal activity was easy. Truck drivers had the number of vouchers they received, then the grocery store tenders collected the money with the resulting loss for the raw material receiving enterprise, which in 1987 alone paid over 121,000 pesos for resources.

As you can see, there is clear evidence of lack of control in the two aforementioned enterprises which are responsible, in this case, the raw material and commerce enterprises.

I believe that due to the characteristics of this case, and taking into account that the raw material—glass containers in this case—are found in almost all stores in our country, the managers who are directly responsible for these two enterprises should come to our program and tell us which measures have been and are being taken so that acts such as these do not occur again. At the same time, they can alert other provinces and enterprises.

PCC, Military Officials Greet Returning Troops

FL0611190490 Havana Tele Rebelde Network in Spanish 1800 GMT 6 Nov 90

[Text] A new group of internationalist combatants has returned to the fatherland from Angola. They were welcomed at the Wajay airport by Osmani Cienfuegos, member of the Politburo of the Communist Party of Cuba [PCC]; Sonia Rodriguez, member of the PCC Central Committee; Division General Ramon Pardo; and Brigade General Alejandro Ronda.

The State Committee for Labor and Social Security reports that 95 percent of the internationalists that have returned to Cuba have resumed the same positions they had before they left, are studying at the university, or have taken new jobs for which they have been trained through courses organized by institutions of the State Central Administration. The remaining five percent are in the process of being placed or are on vacation.

Minint Marks October Revolution Anniversary

FL0711021490 Havana Television Service in Spanish 0100 GMT 7 Nov 90

[Text] The Interior Ministry's [Minint] main ceremony marking the 73d anniversary of the Great October Socialist Revolution was held this afternoon at the historic Lenin Hill located in Regla. The homage was presided over by Division General Pascual Rodriguez Braza, vice minister of the Minint. Members of the Minint's political leadership, Soviet advisers, chiefs and officers of the ministry attended the ceremony. Vladimir Ilich Lenin, leader of the world proletariat and the international communist movement, was solemny remembered at Regla's Red Square.

CTC Plans New Sugarcane Harvest Measures

FL0611215590 Havana Radio Reloj Network in Spanish 2048 GMT 6 Nov 90

[Text] A new sugarcane harvest compendium will respond to longtime claims of the sector's worker. It will bring quicker solution to the problems that may come up, according to a report given during a CTC [Cuban Workers Federation] National Secretariat meeting being held in this capital.

The changes to the sugarcane harvest resolution, which will be implemented in the next harvest, will be advantageous. The management of the sugarcane agro-industrial complexes will be able to make decisions without delaying activities. The measures in the harvest agreement will include salary incentives for work positions that were neglected in this field. It was also mentioned in the CTC meeting that the resources are guaranteed for the harvest that will begin in a few days. Measures are being implemented to improve the attention to man.

Radio Taino Station Marks Fifth Anniversary

FL0711132290 Havana Tele Rebelde Network in Spanish 1045 GMT 7 Nov 90

[Report by Carlos Garces]

[Excerpts] For five years, 24 hours a day, on medium-wave frequency 1180 kHz, Radio Taino has been broadcasting varied programming for tourists from Spanish and English-speaking countries. For the latter, Taino broadcasts two English language magazines. [passage omitted]

With a minimal staff, Cuba's tourism radio station broadcasts informational programs, primarily with news, chronicles, interviews, and tourism reports with which the visitor can plan his stay in our country. In addition, Radio Taino has varied programming. The music is a reflection of what is truly native to Cuba. Taino also notes the most outstanding features of our literature through journalistic commentaries and interviews. [passage omitted]

Bolivian Military Delegation Tours FAR Academy

FL0711024890 Havana Television Service in Spanish 0100 GMT 7 Nov 90

[Text] The delegation of the Colonel Abelardo Abarroa National Higher Studies of the Republic Bolivia visited the Maximo Gomez FAR [Revolutionary Armed Forces] Academy today. It was received by Brigade General Juan Pujol Sanchez, chief of the Cuban military center. The visitors were given a detailed briefing on the characteristics of the academy where hundreds of cadres are trained to fulfill any combat mission.

During their tour through classrooms and other installations, they were able to confirm the quality of the study material resources, the development of the education

process, and the high scientific level of the school. They also learned about the admission system to the center.

Later, the guests met with Division General Ulises Rosales del Toro, first vice minister of the FAR and chief of the General Staff. The structure of our defense system, the military training of the Cuban people, and the need for Latin American integration, were the main subjects discussed.

[Begin Colonel Jose Cardenas Salinas, director of the Higher Studies School in Bolivia, recording] General, I tell you that we are pleasantly impressed by the levels your cadres have reached, especially in training. We know that the man is the actor, director, and the main element of an armed forces and of the people. We see your concern at this level and that you have given priority to training. The man who is prepared for war, even when war never takes place, guarantees peace. [end recording]

Inter-Caribbean Affairs

Sandiford Urges Caricom To Use Europe as Model

FL0511204590 Bridgetown CANA in English 1948 GMT 5 Nov 90

[Text] Bridgetown, Barbados, Nov 5, CANA—Barbados Prime Minister Erskine Sandiford on Monday urged Caribbean Community (Caricom) states to use the European Community as a model in their pursuit of closer integration.

"In spite of all their differences, which run much deeper than ours, the Europeans have been able to forge ahead with greater speed towards a single market," he said. "The ways they have devised to get over their problems should be instructive for us. With appropriate modifications, we can apply some of these solutions to our own situation."

Sandiford spoke at the opening of a regional conference examining the possible impact of the coming single European market on the Caribbean. Senior Caribbean technocrats are attending the week-long seminar, jointly sponsored by the Caribbean Development Bank and the Economic Development Institute of the World Bank.

The Barbados leader said Caricom countries must accelerate the process of regional integration as a response to international changes which threaten to further marginalize the region and other parts of the Third World.

In this respect, he repeated an earlier call for the institutionalization of the twice yearly meetings of Caricom finance ministers as the body for coordinating regional economic policy; the institutionalization of the meeting of Central Bank governors who, he said, should be charged with drafting a plan for regional monetary union by 1995; and the speedy removal of exchange controls against Caricom nationals residing in each other's territory.

Economist Discusses Trade Prospects With EC

FL0611194590 Bridgetown CANA in English 1820 GMT 6 Nov 90

[Report by Reudon Eversley]

[Text] Bridgetown, Barbados, Nov 6, CANA—The Caribbean has more to lose potentially from the proposed Single European Market (SEM) than any other region of the developing world, according to a British development economist.

Firstly, said Dr. Christopher Stevens of the London-based Overseas Development Institute [ODI], internal liberalization resulting from the SEM and the current Uruguay round of world trade negotiations would result in an erosion of the traditional protection offered to Caribbean commodity exports. In addition, he said, the general failure of Caribbean countries to use the preferential access provisions of the Lome Conventions to diversify exports to Europe, suggested the region will have difficulty shifting to manufactures to take advantage of new market opportunities arising from the SEM.

Stevens discussed the economic prospects for the Caribbean in a paper presented here at a seminar looking at the impact which the unified Europe of 1992 will have on the region. Senior government development planners from across the region are taking part.

Stevens said Caribbean sugar and banana exports mainly to Britain would be hardest hit because, with the loss of protection, they would not be able to withstand competition from more efficient producers.

"Clearly, the Caribbean must fight hard to maintain the status quo for both bananas and sugar," he said.

"Nonetheless," he pointed out, "the "1992 scare" should at the least induce the region to consider the wisdom of trade policies that depend so critically on the good intentions of other states."

Caribbean banana and sugar exports to Europe are governed by special regimes which provide for a guaranteed market and prices higher than would apply in an uncontrolled marketplace. In the case of bananas, the guarantee is enforced through controls on Intra-European Community trade which prevent, for example, the re-export of cheaper Latin American bananas from Germany to Britain where they would compete with Caribbean bananas. With the creation of the SEM, however, such controls will be removed and Caribbean bananas would be open to such competition.

Stevens noted that Lome IV, the accord governing trade and economic relations between the Europe Community and African, Caribbean, and Pacific (ACP) states, had repeated commitments given in the three previous Lome Agreements to maintain preferential access for ACP bananas after 1992.

"But, in order to give effect to these commitments, the EC will have to introduce special measures that would not otherwise figure on the 1992 agenda," he said.

Stevens said while it was possible to identify several mechanisms that would have the required effect, each suffered from political problems and some were economically less desirable than others. He examined three such mechanisms:

1. Creation of a single community market for banana exports with a standard tariff.

2. Creation of a free market with or without a tariff and the provision of so-called deficiency payments to high cost producers to increase their earnings to an agreed level.

3. The establishment of an EC quota either for all bananas or for the so-called dollar bananas, the cheaper exports from Latin America.

The first proposal would see the replacement of the various national regimes by a free community market with a standard tariff.

ACP bananas, at present, are protected through a 20 percent tariff preference over exports from Latin America. With this measure, Germany, which allows Latin bananas duty free entry, would have to raise domestic prices depending on the level of the tariff while consumers in the protected markets such as Britain and France would benefit from a price decrease.

"The problem for the Caribbean is that, even with a 20 percent tariff, they are unlikely to be able to compete with dollar fruit," said Stevens. He also cited possible opposition to the proposal from Germany and reported opposition from the Netherlands.

With respect to the second proposal calling for deficiency payments, the ODI economist said while this solution would approximate more closely to the existing regime than a free market, it would still tend to disfavour high-cost exporters like the Windward Islands.

"This is because it is assumed that the deficiency payment would be standardised for all preferential suppliers in order to avoid a cost-plus system creating inefficiency," he said.

"A payment that would be sufficient for the most efficient ACP suppliers would be inadequate for the least efficient. The Europeans were unlikely to accept this proposal," Stevens said.

Regarding the establishment of an overall EC quota for bananas, Stevens said the extent to which this approach would satisfy the Caribbean would depend on the overall size of the quota, any agreed growth in the quota over time, and whether it was supported by ancillary measures such as a tariff and/or deficiency payments.

"Once again, however, the Windward Islands face the problem that a price level acceptable to the most efficient ACP suppliers could still leave them unable to compete," he said.

Stevens said the task for the Caribbean was to assess the new mechanisms proposed within the Community for giving effect to the Lome Convention commitment of continued protection, and to lobby against those it considered inadequate for the task.

"The problem is a particularly tricky one, since those mechanisms that would be most easy for the Community to adopt are unlikely adequately to protect Caribbean interests, whilst those that are most attractive to the Caribbean will be the hardest for the various Community interests to accept," he said.

Stevens said the bleak outlook for Caribbean sugar in Europe stemmed not so much from any change in EC law, but partly from the fact that the sugar protocol governing ACP exports was tied to the "maintenance of a genuine demand for cane sugar in the EC market."

At present, he noted, this demand is based primarily in the United Kingdom where most ACP cane sugar is refined by a single company, Tate and Lyle.

"Given the surplus supply (of beet sugar) in the EC, the maintenance of a market for cane sugar is a delicate operation," he said.

Citing previous fierce competition between Tate and Lyle and British Sugar Corporation, the main beet sugar suppliers, he said there was nothing to prevent sugar from continental Europe being marketed in the U.K. and setting off a renewed bout of competition. He noted, however, that the combination of border formalities and cross channel transshipments costs had kept such trade to a low level.

"After 1992 and more particularly after 1993 with the completion of the channel tunnel, it will be much simpler—and cheaper—to move sugar from, say, northern France and Belgium into south-east England," Stevens said.

"This could set off a battle for market shares that would have one of two likely consequences. Either the cane exporters would accept a cut in price in order to share the cost of waging the battle, or the cane refiners would go out of business."

He added: "The low cost ACP sugar producers such as Malawi, Swaziland, and Zimbabwe probably could live with a price cut though it would be very unwelcome; the high cost Caribbean producers probably could not."

"Hence the effect of either option would be to drive Caribbean cane sugar out of the market."

"Although the sugar protocol, which is of unlimited duration, would remain intact, its main raison d'etre would have been removed," the British economist said.

Antigua and Barbuda

Bird Statement on Trade Unions Criticized

FL0611211090 Bridgetown CANA in English 1954 GMT 6 Nov 90

[Text] St. John's, Antigua, Nov 6, CANA—Antigua and Barbuda's deputy prime minister, Lester Bird, has been criticised by a local newspaper which supports the Antigua Labour Party government.

The WORKER'S VOICE, published by the Antigua Trades and Labour Union, took a crack at Bird for an address he made last Wednesday to a cross-section of the Antiguan society.

It described the address as a "one-man-band show" in its latest issue. Bird had been critical of the trade unions, saying they "are not without blame for they identify themselves not as common representatives of the working people, not as joint advocates of the interest of the working man and woman, but as adversaries and competitors."

Bird charged that "by their affiliation to rival political parties, they widen the chasm between them." He said the unions "neglect the areas of common ground, where together they could become a pillar of the genuine nation-state we set out to build nine years ago."

The WORKER'S VOICE said Bird's statements were "presumptuous and rude." It accused him of being "selfish" and of showing "a lack of respect for the prime minister and the country." Prime Minister Vere Bird, Sr. has also taken issue with his son's address on "The Way Forward: A declaration on Future Economic and Social Development." The prime minister told reporters last Friday that "when it comes to policies, there is only one Cabinet in this country.

"I feel when policies are to be decided upon, those policies should be discussed in the Cabinet, and when we get a decision of the Cabinet, only then it is timely for anyone to go forward and say they are issuing statements of policy," the prime minister said.

Report Said To Recommend Vere Bird's Dismissal

FL0611222490 Bridgetown CANA in English 2143 GMT 6 Nov 90

[Text] St John's, Antigua, Nov 6, CANA—A government-appointed commission of enquiry, which [words indistinct] involvement in a 1989 transshipment of Israeli arms to a Colombian drug baron, has recommended that former Public Works Minister Vere Bird Jr. be barred for life from holding public office, Canaradio reported on Tuesday.

Canaradio, quoting well-placed sources here, said British jurist Louis Blom-Cooper, the sole commissioner, also had recommended the dismissal of Antigua defence force commander, Major Clyde Walker, and a customs officer who was not named by the sources.

The report, submitted last week to Governor-General Sir Wilfred Jacobs, further recommended the reinstatement of a junior customs officer, fired as a result of the scandal. The report, however, did not recommend the prosecution of any of the people linked to the scandal.

Bird Jr., eldest son of Prime Minister Vere Bird Sr., was the central figure in the scandal, having been linked in documents cited by the Israelis. He denied involvement.

The commission also called for an enquiry into the former operation of a melon farm here by an Israeli businessman Maurice Sarfati.

The sources said the report was not yet in the hands of all cabinet ministers, including Deputy Prime Minister Lester Bird who called for the setting up of the enquiry.

Tim Hector, the leader of the opposition Antigua Caribbean Liberation Movement and a fierce critic of the Bird government, called on Tuesday for the immediate publication of the report. "It appears as if a Chinese wall is being built around the report," he said. "We are going to see some low dodges by the government to circumvent and escape the recommendations of the Blom-Cooper enquiry," he added.

Document Submitted to Governor

FL0311154090 Bridgetown CANA in English 1505 GMT 3 Nov 90

[Text] St. John's, Antigua, Nov. 3, CANA—British jurist Louis Blom-Cooper, who investigated a 1989 shipment of Israeli arms through St. John's to Colombian drug-traffickers, has submitted his report to Antigua and Barbuda Governor General Sir Wilfred Jacobs. Secretary to the government-appointed commission, Lorick Osbourne, said the report was turned over Friday. The political opposition here wants the report released to the press within 48 hours, with the public able to purchase copies afterwards.

Blom-Cooper and counsel for the commission, Geoffery Robertson, spent four weeks here between July and September conducting the inquiry.

Israeli Government officials say they sold Antigua guns and ammunition in 1989 in a deal sanctioned by former national security advisor, Vere Bird Jr. Bird, however, denied involvement.

Investigators said head of the local defence force, Major Clyde Walker, and an Israeli who once had a melon farmer here, Maurice Sarfati, were among the key figures in the arms deal. Walker denied involvement. Bird Jr. is accused of signing the end users' certificate stating the arms were for the Antiguan Army. Walker is alleged to have placed the order for the arms while Sarfati was said to be have masterminded the project.

Arms and ammunition from the shipment in April 1989 were discovered on the ranch of slain narco-trafficer Rodriguez Gacha. This prompted the Colombian Government to launch an investigation into the affair.

British Virgin Islands

Record Number of Candidates To Run in Elections

FL0511170090 Bridgetown CANA in English 1730 GMT 3 Nov 90

[Report by Mike Jarvis]

[Text] Road Town, Tortola, Nov 3, CANA—The British Virgin Islands' [BVIs'] November 12 general election is largely a battle of independent candidates and political parties. There are 17 independent candidates, compared to 21 party members, seeking the nine parliamentary seats at stake in this British-administered collection of more than 60 islands, rocks and islets. The 38 candidates are mainly businessmen; at least nine independents are involved in business. Five women are in the running, hoping to be the first females in the legislative council. Three of the women have a teaching background. The other two are businesswomen.

Of the male candidates, there are two former chief ministers. Ex-Chief Minister Willard Wheatley (1971-79) recently switched from the British Virgin Islands Unity Party [BVIUP] to the Progressive People's Democratic Party [PPDP]. Cyril Romney, chief minister from 1983 to 1986, is running as an independent. Romney's coalition government was toppled in 1986, the victim of a political crisis. There is also one Rastafarian running for office, Ras Uhuru (Lindy Decastro).

The election has turned up the largest number of candidates ever, and several first-timers. Issues have included the ruling Virgin Islands Party's [VIP's] management of the economy, and a controversial new proxy voting system. The VIP boasts of a turnaround in the BVI economy under its guidance. The party has been focussing on a growing offshore financial services sector, a boom in construction, and a relatively stable tourist industry, which is dominated by yachting.

Chief Minister H. Lavitty Stoutt recently said that "The BVI enjoys a standard of living considered better than that of its Caribbean neighbours to the south."

The VIP has been encouraging islanders to get more directly involved in the tourist industry as owners, managers, and entrepreneurs, and not just employees. On taxation, it promises to retain the present direct-tax structure, and make provisions for new allowances. It also pledges to introduce relief for bona fide charitable organisations. Without going into detail, the manifesto promises to give careful consideration to Constitutional reform.

The ruling party has demonstrated a preference for retaining its ties with Britain. It also says it will work on ethics legislation to govern the conduct of public officials. On the campaign trail, the Virgin Islands Party has constantly referred to what it terms "its record of achievement over the past four years."

It has pointed to several projects that are planned or already started, including a new power station said to be capable of satisfying the territory's electricity demands for the next ten years, and new infrastructure and services on several of the small, sparsely populated out-islands. Programmes for the improvement of health, education, agriculture, and social services are also listed in the VIP manifesto.

The BVI United Party, headed by leader of opposition business in the last legislative assembly, Conrad Maduro, claims the Stoutt administration has "mismanaged the BVI economy." Maduro served as minister of labour and natural resource in the Cyril Romney government of 1983 to mid-1986.

The BVIUP charges that "the Territory is spending more than it is making." It proposes to set up a "land bank" to "ensure the preservation of the heritage of the people of the British Virgin Islands." It also lists programmes to revive agriculture and improve education, sports, health, and social services. It wants to revise the tax laws, with particular reference to the pay-as- you-earn system.

The Progressive People's Democratic Party states that it will embark on a programme "with the ultimate view of achieving full independence." It talks about decentralising the national budget by allocating significant amounts to each district, irrespective of parliamentary representation. The party proposes establishing a free port in the territory, reducing taxes, and placing locals in more central positions in government. It wants to improve the real estate market which it says is "totally unregulated."

The PPDP also talks about putting mechanisms in place to allow for the easier assimilation into the territory of immigrants, particularly those from other Caribbean countries who have been resident in the BVI for long periods.

Several national themes keep coming up in the election campaigning by the opposition groups. For the most part, these have to do with the recently introduced voting-by-proxy system which is being used in the BVI for the first time this election. Many feel it is too prone to abuse.

The question of the government's borrowing programme has surfaced constantly, as has the district representational system which several candidates feel should be replaced. Other issues coming out on the platforms relate to drugs, and the present legislators' pension plan which some opposition candidates claim is too generous.

Campaigning to woo the 7,447 registered voters in a population of 13,500 has been spread between the three

main islands of Tortola, Virgin Gorda, and Jost Van Dyke, plus a number of other smaller islands and cays.

On the main island of Tortola, the area with the largest number of voters is the First District, represented by Chief Minister Stoutt. His opponents are the Rastafarian, a civil engineer, and another first-timer, Iran Hyudman. The area with the smallest number of registered voters is the Seventh District, represented by government backbencher Terrence Lettsome, who served as minister of communications, works, and public utilities under Stoutt in 1979.

The ruling Virgin Islands Party is fielding candidates in all but one district, where the incumbent is the former Deputy Chief Minister Omar Hodge. The BVI United Party is fielding six candidates. It is not opposing Chief Minister Stoutt in his district. The Progressive People's Democratic Party is putting up five candidates—none against Stoutt.

Interestingly, the PPDP candidate now running in the Fourth District, which includes capital Road Town, had originally intended to run against Stoutt. Businessman Basil Blake opposed Stoutt in the 1983 elections and lost. In a recent radio broadcast he said: "The people of the First District told me not to come back."

The political parties here say the independent candidates are running on a ticket of "selfishness," and question whether the independents would be able to form a government if five should win. The independents, however, refer to the parties as "marriages of convenience."

The criticism is believed to be linked to the 1986 election in which deputy chief minister and minister of natural resources and labour, Ralph Oneal, ran on a ticket of the BVI United Party. Oneal ended up being leader of the opposition, but when Omar Hodge was thrown out of the Stoutt government, Oneal crossed the floor and took his place in the BVI government. Oneal had also sat on the opposition when Stoutt was minister for natural resources and labour in the Willard Wheatley government of 1975.

He, however, served under Stoutt in the government of 1979, and was a part of the opposition—along with Stoutt—in 1983. Wheatley, now with the Progressive People's Democratic Party, contested the 1986 elections on a BVI United Party ticket.

Also in the 1986 election, Alan Oneal, now running with Hodge in the Independent People's Movement, was with Stoutt's Virgin Islands Party, along with Patsy Lake, now independent, and Malcia Ryhmer Hodge, ex-wife of Omar Hodge, who is now with the Progressive People's Democratic Party. Eileen Parsons, who ran as an independent in the last elections, is now with Stoutt's VIP.

Prince Stoutt, brother of Lavitty Stoutt, ran against the VIP in 1986. But he is now with his brother, and again running against Malcia Ryhmer Hodge, who is now with the Progressive People's Democratic Party.

Alan Anthony, now with the chairman of the BVI United Party, ran on a VIP ticket in 1986. Elihu Ryhmer, who ran as an independent candidate against Alban Anthony of the VIP, is now running in the Fourth District against BVI United Party candidate Merritt Herbert, businessman and managing director of the sole AM station in the British Virgin Islands. Two BVI United Party candidates of 1986 are this year running as independents—Ulric Scatliffe and Charles Mercer.

In the 1986 poll, Stoutt's party won five seats, the BVI united Party two, and independents two.

Dominican Republic

Clashes Between Students, Police Reported

FL0611165490 Santo Domingo Cadena de Noticias in Spanish 1622 GMT 6 Nov 90

[Telephone report by Santiago Fito Acevedo from Bonao City—live]

[Text] A young woman was shot and injured while a young man received a head injury from a beating he took. In addition, several students have been detained. These are the results of heavy clashes between students of the Plan de Reforma School and members of the national police.

The young woman was identified as Santa Rosa Aracena, 20 years old. She is currently undergoing surgery at the Bonao Medical Center. The young man was only identified as Hector. He reportedly has several injuries from a severe beating to the head. He was taken to the public hospital here.

The clashes began shortly after 1100 [1500 GMT] this morning when the students of the Elias Rodriguez and Plan de Reforma Schools took to the streets to support the 19 November strike. The clashes are now going on outside of Plan de Reforma School. Great tension reigns in the area.

Military, Police Issue Warning to Strikers

FL0611172490 Santo Domingo Cadena de Noticias in Spanish 1602 GMT 6 Nov 90

[Text] General Antonio Imbert Tesson today warned that the armed forces and the national police will not allow the peace to be disturbed during the scheduled general strike. He also said that the country's military forces are united and willing to risk their lives in defense of the Constitution and the government headed by President Joaquin Balaguer.

The high-level officer made these remarks at a service held in the San Cristobal Church on the occasion of the anniversary of our Constitution.

General (Humberto Escon), chief of the central regional police command in Santo Domingo, warned strikers that they will not be allowed to disturb the peace during the national protest.

Besides Gen Tesson, Senate President Florentino Carvajal Cuero and Chamber of Deputies President Jorge Botello, as well as legislators and civilian and military authorities, also attended the religious service.

Grenada

Brathwaite Meets With Regional Assembly Members

FL0711144590 Bridgetown CANA in English 1351 GMT 7 Nov 90

[Text] St. George's, Grenada, Nov 7, CANA—Grenada has named its ten representatives for a new constituent assembly that will advance plans for a political union of small Caribbean islands. They include three government officials and representatives of the trade union movement, the business community, and the church.

Grenada's Tourism Minister Joan Purcell, Junior Legal Affairs Minister Tillman Thomas, and Agriculture Minister Ben Jones—who is also the leader of the National Party which teamed up with the government after last March's election—will join Senator Derek Knight of the opposition Grenada United Labour Party and the New National Party's Danny Williams in the assembly.

The other members are trade unionist and Senator Chester Humphery, Justin Francis of the Grenada Private Sector Organisation, Reverend Clement Francis of the Grenada Conference of Churches, Reynold Benjamin of the Commodity Boards, and Leslie McQueen, representing the National Youth Council.

The group met with Prime Minister Nicholas Brathwaite on Tuesday to discuss the proposal for a political union among the Windward Islands—Grenada, Dominica, St. Lucia, and St. Vincent. Brathwaite called on them to "become the nucleus around which unity among the four islands and the wider Organisation of Eastern Caribbean States will be promoted in Grenada." He is also asking the ten members of the assembly to suggest others in the state who can help "in promoting the idea."

Haiti

CEP Diqualifies 10 Presidential Candidates

FL0611203290 Port-au-Prince Radio Nationale in Creole 1400 GMT 6 Nov 90

[Text] The list of candidates declared ineligible by the Provisional Electoral Council [CEP] was announced—ahead of today's deadline—last evening around 9:30 PM on Radio Nationale of Haiti. Ten presidential candidates [of twenty-six] were found ineligible to participate in the upcoming 16 December elections. Following are comments made by the CEP in a press communique:

These presidential candidates have been disqualified because their dossiers are not in compliance with articles 70 and 70.1 of the electoral law. This eliminates them from participation in the upcoming elections.

Mrs. Jacques Marie-Colette. Her party is not recognized because she lacks sponsors, and because she did not pay the guarantee required by the CEP.

Claude Raymond's party was recognized only after the deadline for the candidacy depositions.

Joseph Octave Albert does not have a candidacy declaration, a profession certificate, or a property title. He failed to produce a certificate of residence. and did not pay the guarantee. He lacks sponsors, a list of delegates, and a society plan.

Paul Asselin did not provide a fiscal clearance [paper certifying an audit of fiscal clearance for former government officials] nor did he pay the guarantee.

Francois Etienne Raphael's party, the RPH [expansion unknown] was recognized only after the deadline for candidacy depositions.

Roger Lafontant, of the Union for National Reconciliation [URN], provided neither fiscal clearances nor a birth certificate.

Gregoire Eugene, of the Haitian Social Christian Party [PSCH], did not pay the guarantee, or provide a bank statement.

Jeanty Louis Eddy's party, the PUNSDC [expansion unknown] is not recognized and does not have an emblem. He did not provide a bank statement, and he did not pay the guarantee.

Joseph Dieuveuil, of the PPVM [expansion unknown], though his party was recognized, did not pay the guarantee.

Despeignes Jacquelin lacks sponsors and a society plan.

These ten presidential candidates have failed to comply with the requirements of electoral law, and will not be able to participate in the 16 December elections.

The CEP advises that it will later publish the list of candidates for other elective functions whose dossiers are out of compliance with the Constitution and electoral law.

This memorandum issued by the CEP was dated 5 November 1990.

Lafontant Defies Decision

FL0711140590 Bonaire Trans World Radio in English 1130 GMT 7 Nov 90

[Text] Haitian election officials have disqualified former Interior Minister Roger Lafontant from running for president. The officials also disqualified nine other candidates for various reasons.

Mr. Lafontant is not only a former interior minister, but also the former head of the dreaded Ton Ton Macoutes, secret police under the Duvalier regime. He was removed from the list of potential candidates on technical grounds, according to the election officials who say Haiti's Constitution bars supporters of ousted President Jean Claude Duvalier from holding political office in the nation. However, Mr. Lafontant says he will run anyway.

BED Official Promises Security for Elections

FL0511193590 Port-au-Prince Radio Nationale in Creole 1400 GMT 5 Nov 90

[Excerpt] Important security measures have been taken for the polling day, 16 December, according to Daniel Bernier, president of the West Department Electoral Bureau [BED]. The number of voters registered for the West Department is 847,997 or 89.6 percent.

Bernier advised that electoral law, which is based on the Constitution, will be properly enforced, with no bias and no consideration [as heard]. The elections campaigns will actually be launched tomorrow, 6 November. At that time, we will know how many candidates the Provisional Electoral Council has accepted for participation in the forthcoming elections on 16 December. [passage omitted]

Jamaica

Manley's PNP Conference Address Outlines Goals

FL0511161390 Bridgetown CANA in English 1459 GMT 5 Nov 90

[Text] Kingston, Jamaica, Nov 5, CANA—Jamaica Prime Minister Michael Manley has announced a series of measures to assist workers whose incomes are hampered by the government's present 12.5 percent ceiling on pay increases.

Manley, who was addressing the annual conference of his People's National Party (PNP), dealt mainly with the government's programme of deregulation and highlighted some of the goals he hoped to achieve. These include increasing production and productivity, creating economic opportunities, and releasing the initiative of the Jamaican people.

The prime minister, who has been criticised for maintaining the wage ceiling while pursuing a policy of liberalisation, said that from 1991, workers will get relief from income tax on additional earnings that result from rises in productivity under an approved bonus scheme. Also workers will get some income tax relief for any earnings that are used to buy shares in the business in which they work.

In the case of hotels or similar service establishments, gratuities or tips which are made a part of the bill a guest or customer pays will be relieved of income tax.

Manley said too that discussions have started between the Health Ministry and pharmacists in Jamaica, with a view to making generic (cheaper) drugs available in all privately-owned drug stores.

Declaring that he was taking charge of the privatisation of state-owned enterprises, Manley said that most of them were inefficient and sometimes duplicated services. This situation, he asserted, could no longer continue and as a result he was going to "take charge of the whole damn thing and make it effective."

Government Plans To Double Alumina Production

FL0511161490 Bridgetown CANA in English 1511 GMT 5 Nov 90

[Text] Kingston, Jamaica, Nov 5, CANA—Jamaica has signed an agreement that will see a doubling of the capacity of one of its key alumina plants, Prime Minister Michael Manley announced here Sunday night.

Manley, addressing his ruling People's National Party (PNP), said a pact was signed on Saturday between the government and Kaiser Aluminium Corporation of North America and Norsk Hydro of Norway for the expansion of the Alpart plant in central Jamaica from its present capacity of one million tons of alumina per annum to two million tons.

Expansion of the plant, located in St. Elizabeth will cost upward of U.S. 250 million dollars over the next five years and will make the Alpart facility more energy efficient and environmentally safe from dust, chemical emissions, and mud disposal, Manley said.

He also announced that negotiations were underway between the Jamaican Government and Alcan for the building of a new alumina plant in the north coast parish of Trewlawny.

IDB Report Projects Mixed Economic Outlook

FL0511184590 Bridgetown CANA in English 2001 GMT 3 Nov 90

[Text] Bridgetown, Barbados, Nov 3, CANA—Jamaica's major problem continues to be its heavy debt-servicing obligations which account for about 40 percent of foreign exchange earnings, according to the Inter-American Development Bank (IDB).

In its 1990 report, "Economic and Social Progress in Latin America and the Caribbean," the bank painted a positive future for earnings from bauxite-alumina, tourism, and non-traditional exports, but warned that external shocks and the U.S. 4.5 billion dollar debt could be hindrances.

"The outlook for 1990 and beyond will depend in the first instance upon the successful implementation of the new IMF (International Monetary Fund) Accord," the IDB said. That accord, approved in March, had called

for a devaluation of the Jamaican currency and a reduction of the overall public sector deficit from 7.5 percent in financial year 1989/90 to 4.4 percent in 1990/91.

Most of the results were to be achieved through adjustments of prices and rates charged by state enterprises, increases in user fees, and higher prices for fuels and basic foods. A tightening of monetary policy was also implemented to dampen demand, while restrictions on government borrowing were expected to increase credit availability to the private sector.

"Despite the restrictive economic policies and high interest rates associated with the agreement, real GDP (Gross Domestic Product) is expected to show positive growth in 1990, primarily because of the recent corrections in exchange rate, and the favourable outlook for tourism and especially for bauxite-alumina," the IDB reported.

The Hemispheric Development Bank noted that for the decade of the 1980's, Jamaica's economic growth was minimal because of the combined effects of external shocks and policy fluctuations.

"Real GDP in the 1980's rose at an average annual rate of 0.9 percent—only moderate improvement with respect to the 0.5 per- cent annual declines registered in 1972-79," the report noted. "Moreover, in per-capita terms, real GDP closed the decade at virtually the same level recorded in 1980, but was nearly 18 per- cent lower than the 1972-79 average."

The IDB said, though, that the lack of growth tended to mask the substantial progress that was made in reducing unemployment—perhaps Jamaica's most pressing social problem.

"....After averaging 25.3 percent of the labour force in 1984-85, (unemployment) dropped rapidly to 18.7 percent by 1988. For the most part, this reflected the higher job-creation rate in non-traditional manufacturing that resulted from more competitive wage and exchange rates," the IDB noted. It reported that the Jamaican economy entered the 80's seriously constrained by large deficits in the current account of its balance of payments, and in the finances of central government.

"These chronic imbalances which averaged seven percent of GDP during 1972-79 reflected external factors such as the first oil price shock and the ensuing fall in demand for bauxite alumina," the bank stated. These were said to have been aggravated by substantial increases in deficit spending by the government, which was equivalent to 11.4 percent of GDP over the period.

In 1980, with the economy suffering the effects of a hurricane, the second oil price shock, and a hike in internatitnal interest rates, real GDP dropped 5.7 percent. Inflation rose to 27 percent, and unemployment to well over 20 percent of the labour force. With a weakened demand for bauxite-alumina, earnings from this sector which contributed two-thirds of export earnings, fell from 645 million dollars (U.S.) in 1980-81, to 288 million dollars in 1985.

The IDB noted that in contrast to many other countries in the region, whose access to foreign credit largely dried up by 1982, Jamaica was able to continue financing its widening external deficit by increased net capital inflows mostly from bilateral and multilateral sources such as the IMF. While they allowed financing of the deficit, and increased imports, especially of consumer items, as well as enabling GDP to recover to two per- cent growth from 1981 to 83, Jamaica's external debt sharply increased.

"....Between 1980 and 1982 (the debt) soared 939 million dollars to 2.84 billion, and by 1985 had climbed another one billion dollars," said the bank. It calculated the situation became unsustainable in 1985 when debt servicing obligations were preempting 31.5 percent of foreign exchange income. However, buoyed by increased exports of non-traditional exports, a fall in oil prices in 1986, and a recovery in bauxite-alumina prices, Jamaica was able to return to a positive growth path which saw GDP rising by 1.7 percent in 1986, and accelerating to 6.2 per- cent in 1987—the highest in 15 years.

Although Hurricane Gilbert hit in September 1988 and struck a one billion dollar blow to the "fragile recovery," Jamaica still recorded 1.5 percent growth that year.

"In 1989, the economy achieved generally favourable results, recovering from the effects of the hurricane. Real GDP rose 4.6 percent, more than three times the 1988 rate...," said the IDB which attributed this to good performances in mining and tourism.

Trinidad and Tobago

Government Begins To Reduce Trade Restrictions

FL0611153090 Bridgetown CANA in English 1433 GMT 6 Nov 90

[Text] Port of Spain, Trinidad, Nov 6, CANA—Trinidad and Tobago is easing trade restrictions, with items valued at just over 863 million dollars (one TT dollar = 23.5 cents U.S.) to be removed from the "negative import list" by the end of this year, according to a government report.

The remaining 60 percent of the list of items whose importation is restricted will be phased out by the end of 1991, the Ministry of Industry and Enterprise report said. These remaining items are valued at 1.3 billion dollars.

Last year the Trinidad and Tobago government removed items with an import value of just over 637 million dollars from the negative list under a letter of intent to the International Monetary Fund (IMF). The report explained that subsequent to this, and in keeping with the structural adjustment loan arrangements finalised

with the World Bank this year, government has agreed to intensify its trade reform programme.

This, the report said, was "to foster the development of an open trading regime and to modify the structure of incentives to industry to favour production for export." The items to be removed from the list by the end of this year include animal feeds, alcoholic beverages, soft drinks, paints and varnishes, and petroleum products.

The report also noted that from January 1, 1990, Trinidad and Tobago and other Caribbean Community member states are committed to implementing a new Common External Tariff (CET).

Parliament Expected To Debate State of Emergency

FL0511201590 Bridgetown CANA in English 1938 GMT 5 Nov 90

[Text] Port of Spain, Trinidad, Nov 5, CANA—Speaker of the Trinidad and Tobago House of Representatives, Nizam Mohammed, on Monday declared vacant the Parliamentary seat previously held by Leo des Vignes, who died in the aftermath of a failed coup attempt here last July.

At the first sitting of Parliament in the Red House since it was damaged in the insurrection which left two dozen dead, Speaker Mohammed said he had received the government MP's death certificate. It stated that Des Vignes had died at hospital on August 1 of a gunshot wound. That was the same day on which 114 members of the Black Muslim coup plotters, the Jamaat al Muslimeen, surrendered to the combined forces after freeing hostages from the Parliament and the television station.

Mohammed said that in accordance with the Trinidad and Tobago Constitution, he had to declare the Diego Martin seat vacant, making way for a by-election.

Monday's opening of the first session of the 1990/1991 term also saw five men and one woman sworn in as opposition senators by President Noor Hassanali. The senators, representing the United National Congress (UNC), were selected just under two months ago, after the party moved to take over as the official Parliamentary opposition from the People's National Movement (PNM).

The UNC, a breakaway faction of the ruling party, has six members in the House of Representatives to the PNM's three. The new UNC senators are businessmen Motilal Moonana and Robert Amar, university lecturer Prakash Maharaj, trade unionist Wade Mark, freelance radio broadcaster Salisha Baksh, and accountant Ralph Khan.

Parliament will sit again on Thursday when it is expected that a motion to extend the state of emergency, declared one day after the coup attempt, will be debated.

Belize

Act Liberalizes Radio, TV Broadcasting

FL0611171090 Bridgetown CANA in English 1528 GMT 6 Nov 90

[Report by Mark Lee]

[Text] Belize City, Nov 6, CANA—Belize, Central America's only English-speaking country, is boasting of a new broadcasting act which it says is the most progressive in the Commonwealth Caribbean.

The act, significantly, was passed on September 21, the ninth anniversary of the country's independence of Britain. Under it, the government-run radio station has been made a corporation and the opposition is entitled to make nominations to the board.

There is also a policy statement which declares the "principles of freedom of expression enunciated in the Belize Constitution...," and that "there should be no political censorship of news and views...."

"Control is now being placed in the hands of the people," the station's acting general manager, Rene Villanueva, told the Caribbean News Agency. He alludes to the composition of the board of 11, made up of five government nominees, a vice-chairman, and one other person named by the leader of the opposition, and a representative each from the Chamber of Commerce, the Council of Churches, the Trades Union Congress, and non-governmental organisations.

"It is perhaps the only corporation in the Caribbean that has the opposition as part of the board (in law)," boasts Villanueva, who drafted the basic act to create a corporation in 1986. He credits minister of education, economic development, and foreign affairs, Said Musa, with incorporating the opposition on the board, and including the policy statement in the act. The statement covers such ideals as promoting Belizean culture, the provision of entertainment and education, and sticking to public good taste.

The move to streamline and improve government broadcasting was not based on mere altruism. Villanueva speaks of the hobbling nature of the civil service status of the former Belize Broadcasting Network, which the Broadcasting Corporation of Belize (BCB) replaces. He also notes that both major political parties—under whose administrations he has served as chief broadcasting officer—had "we shall free Radio Belize" in their election manifestos.

But when he first made his recommendations to the United Democratic Party administration of Manuel Esquivel in 1986, they were rejected. When the George Price People's United Party resumed power in September 1989 it decided to implement the pre-election promise.

BCB, whose staff [of] 75 operate AM Station Radio Belize, Friends FM, and a television production unit from cramped premises in this city, is generally uptempo about the new situation which is also seeing major refurbishing to the plant and six transmitting sites. About 300,000 Belize dollars (one Bel. dollar = 50 U.S. cents) are being spent this year alone to upgrade AM transmission stations.

Another exciting challenge for the staff, says Villanueva, is the prospect of moving from "semi-commercial towards being fully commercial," since the organisation has been badly under-financed. "BCB is a public entity with a commercial instinct," Musa has said of the station's new status.

The 65,000 dollars allocated for recurrent maintenance expenditure for the 1990-91 financial year is 100,000 dollars less than requested. However, a revised budget for the balance of the year is being studied by the government.

With the new regimen, the approximately 160,000 dollars earned annually from commercials will go directly to BCB, instead of to the government's pool. The government will continue to finance the corporation's overall budget of more than one million dollars. Villanueva, meantime, is pressing ahead with his mandate. "So far, so good," he says of the corporation and the act. "They (the government) have made up their mind that they want us to be independent."

He continues to broadcast 24 hours of mainly music on FM, and 19 hours of AM programming, and produces a daily news package which is distributed free to 11 private low-power television stations scattered across Belize's 8,864 square miles.

"News reporting is improving," says Villanueva. Reporters are approaching news in a fearless manner now. I don't check on the content. I only tell them to be aware of the laws of libel and that's that."

For the man who started as a trainee announcer in 1968, only breaking his service once, between 1980 and 1983, the next challenge is to begin television transmission. He is hedging his bets on a low-power transmitter at least by early next year. His only problem is that the board has not yet given its approval to such a venture.

But the broadcast act and its policies do extend to television, and Villanueva is hoping his years of manoeuvering around red tape will help him to spur things on.

El Salvador

FMLN Launches Attack Against Security Academy

PA0611132890 San Salvador DIARIO EL MUNDO in Spanish 3 Nov 90 p 1

[Text] For an hour this morning at dawn, FMLN [Farabundo Marti National Liberation Front] urban

commandos launched another attack from several positions against the installations of the Security Academy, located west of El Espino estate, along the highway to Santa Tecla, six kilometers from the capital.

According to this morning's Coprefa [Press Committee of the Armed Forces] report, one rebel was killed and one soldier from the academy was seriously wounded. Buildings at the military institution suffered damage, as the rebels launched 60mm and 81mm mortars and heavy dynamite charges thrown from catapults, while FMLN snipers attacked advanced positions at the academy with rifle fire, machine-gun fire, and fragmentation grenades. Twenty minutes after the attack was launched, FAS [Salvadoran Air Force], National Guard, and National Police reinforcements arrived.

This morning soldiers from the Elite Battalion and from the First Infantry Brigade combed the area to the north, along the base of San Salvador Volcano, to inflict more casualties on the FMLN and to rout the dispersed rebels in that area.

As we reported in a last-minute news insert on 2 November, there were reports throughout the day of explosions and cannon fire against rebel positions along the base of the Guazpa Hills, close to Suchitoto. No casualties were reported. Cannon fire was clearly heard in the center of the capital, and according to military reports, the actions of the Armed Forces were in response to the pinpointing of FMLN groups, which were allegedly preparing for a new offensive. It was reported that last night another operation was launched against the rebels in the same area, in anticipation of new FMLN attacks, which some consider could be their most encompassing action.

Also, in the east, the FMLN attacked advanced positions of the Ponce Battalion and the 3d Brigade with catapults and rifle fire in the Ciudad Barrios area of San Miguel, leaving 2 soldiers wounded. Meanwhile in the Las Maria Stream, Arambala, Morazan Department, another unit of the Arce Battalion was attacked. Arms caches were found when the rebels were driven back, the largest being found in Rio Negro, Arambala.

Launches 4 Attacks in San Salvador

PA0611202790 Paris AFP in Spanish 1628 GMT 6 Nov 90

[Text] San Salvador, 6 Nov (AFP)—Urban cells of the Salvadoran guerrillas on 5 November attacked four military positions in different points of San Salvador, inflicting at least 11 casualties on the Army, counting dead or wounded, rebel sources have reported. The simultaneous attacks against four military roadblocks took place at 1800 (2400 GMT), in midtown and southern San Salvador.

A spokesman for the Farbundo Marti National Liberation Front (FMLN) urban cells stated in a telephone call to radio station Radio Cadena YSU that those actions were part of the "Independence and Democracy Revolutionary Maneuver." In addition, the Armed Forces Press Committee (Coprefa) reported this morning that one soldier was killed and two were wounded during one of those attacks. It also reported that another soldier was wounded in a similar action.

The rebels noted that they inflicted four casualties on the Army during an attack on an Army post in the posh San Francisco neighborhood, in southern San Salvador, near the Armed Forces General Staff Building. At the same time, a mass transit bus was sprayed with bullets near a roadblock, and two civilians were killed. The FMLN held the Army responsible for the incident. "After they were attacked by one of our units, the soldiers fired at the bus, even though we had already left the area," the rebel spokesman said.

In another area, vast sectors of the country's eastern zone have been without electricity since last night because the guerrillas sabotaged structures of the energy system, official sources noted.

AEAS Bus Drivers Declare 24-Hour Strike

PA0711045090 San Salvador EL DIARIO DE HOY in Spanish 6 Nov 90 p 3

[Text] The Association of Bus Drivers and Owners [AEAS] yesterday afternoon announced that it would paralyze public transportation beginning at 0500 this morning.

The strike, which takes place on the first day of work following the long weekend—which lasted from 2 November until today, and included the civic commemoration of 5 November—is an unpleasant surprise for thousands of Salvadorans who will have to walk to work or ride the uncomfortable and unsafe trucks that have bailed them out in past strikes.

AEAS officials said that the strike—whose effects are felt by the majority of the workers, particularly those from the populous metropolitan San Salvador areas—has been imposed by AEAS as a "measure to pressure the government."

The officials said that the strike will last 24 hours and will be extended for another 24 hours until government officials "agree" to receive them.

A few days ago, the bus drivers proposed a partial strike to have bus fares increased. According to government sources, this strike was rejected because it would affect the poorest workers and people.

Leftist organizations, including those that set buses on fire on previous occasions, now support AEAS, it was reported in political circles.

It was also said that this support is viewed as an opportunistic strategy to destabilize the government

which, confronted with the energy crisis, makes every effort to minimize the impact of this crisis on the majority of the population.

Guatemala

Jalapa Mayor Shot, Killed at Party Meeting

PA0611153790 Panama City ACAN in Spanish 1437 GMT 6 Nov 90

[Text] Guatemala City, 6 Nov (ACAN-EFE)—The Police Department reported today that last night two men shot and killed Antonio Bonilla, mayor of Jalapa and member of the Guatemalan Christian Democracy [DCG]. At the moment of the attack, Bonilla was meeting with other members of his party.

Bonilla's bodyguards killed one of the attackers. The other was wounded but was able to escape, a police source has reported.

Bonilla was running for reelection in the 11 November elections. He was being supported by the DCG and the Revolutionary Party. In 1985, he was the candidate for the Union of the National Center [UCN].

On 25 July, in the same town of Jalapa, Deputy Otto Rolando Ruano was murdered. Ruano was running for reelection for the UCN.

In recent months, more than 20 political leaders and 3 journalists have been murdered by unidentified groups that according to human rights leader Ramiro de Leon Carpio, are "death squads."

The government, however, has denied Carpio's affirmation and has attributed the killings to "people interested in disrupting the electoral process."

Rios Montt Predicts 'Illegitimate' New Government

PA0711030290 Guatemala City SIGLO VEINTIUNO in Spanish 1 Nov 90 p 12

[Text] General Efrain Rios Montt, former presidential candidate for the No-Sellout Platform, said yesterday that "conditions for a coup exist," even though he personally does not promote this, and if a government comes to power in 1991 it will be "bastard, illegitimate."

Rios Montt said: "What happens in Guatemala needs to be examined under a magnifying glass. We can no longer continue to fool ourselves or fool others. The government should have some respect for the law. It should abide by and obey the law."

"It is sad to see that a soldier or a poet can be bribed...that coups are the solution to our problems. If the state does not respect your rights, you have to make it do so. Vote for the peaceful resistance," Rios Montt requested in his statement.

In another part of his statement Rios Montt underscored that the next administration "will not be legitimate, even if it wins with 15 percent of the votes, which represents an absolute majority. Therefore, it will be a bastard, illegitimate government. We are not calling for people to cast a blank vote. We are asking citizens to express their disapproval by writing Rios Montt on the ballot...or by crossing out all the names."

"We seek institutionality, a legal state, and the Rios Montt movement will have as its spearhead no less than 30 district deputies in the next Congress, as well as mayors and municipal governments to help rid us of loan sharks, blackmailers, and businessmen who are trying to see how they get that eight percent on the other side," he said.

"I grieve because Guatemala's political problem is based on men, not on principles or projects. I very much regret candidate Cabrera's illness. My sympathies to him, his family, and the political party that backs him," Rios Montt stressed.

Rios Montt then said that by blocking his presidential candidacy there had already been "a coup against the country." He clarified this statement, saying: "I would not support" a violent change to the constitutional order, although "conditions are right." He avoided making an assessment of such a possibility.

Expanding upon this point, Rios Montt said the people will not tolerate the price of 10 quetzales for a gallon of gasoline and an exchange rate of 10 quetzales to the dollar. He hinted that there is a danger of "not reaching 11 November," and said it is essential "to keep Vinicio Cerezo in the Presidency" until 14 January.

In fact, Rios Montt confirmed that last weekend he canceled his scheduled campaign tour when a plot to murder him was uncovered. On Saturday and Sunday, however, he will go to the country's interior. "They missed their chance," he said.

Files Appeal on Suspending Elections

PA0711042490 Paris AFP in Spanish 0214 GMT 7 Nov 90

[Text] Guatemala, 6 Nov (AFP)—A climate of controversy pervaded the atmosphere in Guatemalan political circles on the night of 6 November following the Supreme Electoral Tribunal's (TSE) decision to consider a request to suspend the elections, presented by the No-Sellout Platform Party directed by General Efrain Rios Montt.

A notice from the TSE, which Rios Montt himself showed to the press, points out that this organizaton processed an "appeal to declare the nullification of the presidential and vice presidential candidate registrations, to nullify the electoral process for the 11 November elections, and to establish a new deadline for candidate registration."

Gen. Rios Montt stated at his residence that he feels very "pleased and satisfied" that his appeal was received. He added that he is convinced the elections must be suspended, even though it is not yet known what steps will be taken or how long it will be before the TSE makes a statement.

The general feels that the TSE may have acted on his appeal because of the ruling Christian Democratic Party's (PDC) interest in gaining time to be able to replace its official candidate, former Foreign Minister Alfonso Cabrera, who is currently in fourth place in the electoral race. Cabrera is currently undergoing treatment at a Houston, Texas hospital, for acute pancreatitis.

Rios Montt, a retired military officer and Christian fundamentalist, was banned from running for the Guatemalan Presidency two weeks ago because—according to a constitutionality court—no former de facto head of state (as the general was between 1982 and 1983) can seek the Presidency of this Central American nation.

Nevertheless, the polls indicate Rios Montt is the frontrunner for the 11 November elections.

Meanwhile, TSE Justice Hugo Leonel Maul Figueroa undermined the importance of the appeal presented by Rios Montt's party by saying it would be "very difficult" to cancel the elections.

Felix Castillo, director of the TSE's citizens registry, said tonight that the annullment request was processed because it was filed by a legislative candidate, but he gave assurances that the appeal "is not important" in the electoral process, and that what Rios Montt's party wants is to "create confusion and publicity."

Castillo explained that the TSE has three days to make a statement, but he insisted that the appeal "goes against everything, even against the law."

The Constitution establishes the date of the elections and it would be very difficult to change it, Castillo said.

Meanwhile, several attorneys who were consulted said the appeal will not affect the elections.

It was unknown tonight what would be the reaction of candidates such as Jorge Carpio of the Union of the National Center, who is currently leading in the polls with 22.9 percent, Alvaro Arzu of the National Vanguard Party (PAN), and Jorge Serrano of the Movement of Social Action (MAS), who are the favorites to win the elections.

Meanwhile, the situation in the capital is calm and police surveillance is discreet, even though the Army has been on general alert since last weekend to guarantee the normal progression of the elections.

Five days away from elections, undecided voters still represent the majority, with a high 24.7 percent, in an election in which 12 candidates are participating.

If, as it is assumed, none of the candidates earn 50 percent of the vote, the two who receive the highest percentage will confront each other in a second round on 8 January. A new president, who will take office six days later, will emerge from this second round of voting.

Peten Army Chief: Election Patrols To Increase

PA0711122090 Guatemala City PRENSA LIBRE in Spanish 6 Nov 90 p 9

[Text] Flores, Peten Department—Colonel Luis Ortega Menaldo, commander of Military Zone No. 23 in Peten Department, has reported that special troops will rigorously patrol that department to prevent subversive elements from sabotaging the upcoming 11 November elections.

Col. Ortega Menaldo explained that the troops will be deployed to areas where voting tables will be set up, as in the past rebel organizations have threatened to sabotage elections.

The Army commander stated that several rebels have deserted ranks in recent months in view of the lack of support from the people of Peten, who wish to live in peace and harmony.

In addition, Col. Ortega Menaldo said that some people who had joined the rebels have realized that the armed struggle is useless, in light of the pro-democracy movements that swept across Eastern Europe, where even the USSR abandoned the failed totalitarian system.

Col. Ortega Menaldo said that the Army has discovered war materiel such as grenades, backpacks, rifles, and uniforms in areas adjacent to towns in Peten Department. This, he concluded, represents evidence that some guerrillas who were disillusioned by a lack of cooperation have deserted the ranks and resumed their normal lives.

New Group Claims To Protect All Indians

PA0611172490 Guatemala City EL GRAFICO in Spanish 31 Oct 90 p 6

[Text] A new clandestine group has come to light in San Cruz del Quiche, capital city of El Quiche Department, because of the threats it has made against the members of the Runujel Junam ethnic group, led by Professor Amilcar Mendez. The self-styled "Utatlan Indian Movement," [Movimiento Indigena Utatlan] distributed a large number of flyers, stating that "now Indians have gotten organized to protect themselves."

In addition, "Utatlan" said that Runujel Junam only obeys orders from abroad and has not really helped Indians, "which is why a group now exists to protect them."

Moreover, the Guatemalan National Revolutionary Unity, URNG, has continued to spread flyers all over the country, stating that "the dialogue does not mean

surrender." Recently in several towns of Guatemala's high plateau, the URNG has distributed a large number of flyers. It has even used propaganda bombs.

Nicaragua

Chamorro Discusses Recent Criminal Activity

PA0711043690 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 7 Nov 90

[Speech to the nation by President Violeta Barrios de Chamorro in Managua; date not given—live or recorded]

[Text] My dear Nicaraguans: I have been deeply moved and concerned by the increase in criminal activity in our country in the past few days. I must attribute some of them to the indiscriminate distribution of weapons to the civilian population. The killing of the youths at a school dance in the Unidad de Proposito neighborhood and the incomprehensible murder of the youth named Jean-Paul Genie have especially grieved me.

I want to use this opportunity to express my condolences to the families of these innocent youths, and of all those who have died as victims of crime. The public example of forgiveness and the Christian understanding shown by Jean-Paul's parents are praiseworthy. I have had a similar experience, and I understand them perfectly well. I know the magnitude of their grief, and how great is their forgiveness that they have offered up to God on behalf of national reconciliation.

Nevertheless, we are duty-bound to impart justice and enforce the law. My government signed a concerted agreement with some important sectors of the country. In one of its points, the document stated: Trust and Security. It is recognized that the Constitution is a cornerstone upon which the state of law is based. It must be respected by the government and the governed. That state of law is essential to guarantee social peace and the security of the Nicaraguan people. The peace and security of the Nicaraguans are in danger now because of the growing wave of violence.

I firmly believe that justice is the foundation of law, peace, and security. For this reason, I am issuing specific instructions to the national police to solve the crimes that have affected the hearts of the Nicaraguan family, to find the perpetrators, and to place them at the disposal of the proper authorities so justice will prevail. These crimes cannot go unpunished.

I also believe that all Nicaraguans are obliged to cooperate with the police authorities. The families of the victims, the witnesses of the crimes or those who learned of them through other sources, the neighbors, all of us should responsibly cooperate by reporting what occurred to the authorities. In this way, justice will prevail. No one should be afraid of reprisals, and witnesses should have no fears about their security. In my government, citizens are respected by the authorities, who are there to work for them.

I am also ordering both the police and the Army to immediately intensify a nationwide urban and rural campaign for an effective plan to disarm the civilian population so that we can have a Christmas without weapons throughout the country.

The police authorities have also been ordered to undertake every necessary effort to protect the lives and property of the Nicaraguans. I want to assure everyone that I am very aware of the difficulties we are experiencing, but that, obeying the Constitution and the laws I am duty-bound to keep, I am likewise conscious of the measures that my government must take to guarantee peace and security throughout the national territory.

I am also issuing instructions so that a high-level government delegation will meet with the demobilized individuals who are carrying out actions that violate the law. I admit that not everything promised has been fulfilled, but I also think that they must recognize the reasons that have prevented us from doing so. Nevertheless, I am willing to strictly keep our promises.

I ask all of them to end the occupation of the Santo Domingo de las Sierritas Catholic Church and to permit the free circulation of vehicles on the road to Rama, the obstruction of which is causing irreparable losses to the noble Chontales region. I insist and repeat that all the promises will be kept. My government is working to fulfill them, and I am also aware that the demobilized individuals must be a priority for my government. We must all contribute so that Nicaragua will be a country in which law and justice prevail. Thank you very much.

Presidency, Deputy Ministers on Land Problems

PA0711040890 Managua Radio Sandino in Spanish 1930 GMT 6 Nov 90

[Text] The Presidency has appointed two commissions to negotiate with the demobilized contras and the UNO [National Opposition Union] mayors who continue to block the Juigalpa-Rama road. Presidency Minister Antonio Lacayo said today that the government has authorized the land reform commission of Region 5 to negotiate with the rebel contras in their demands for land. Another commission comprised of high-ranking Government Ministry officials will travel to Region 5 today to talk with the UNO mayors and politicians, who, as a symbol of support, have joined the demobilized contras in their takeover of the Rama road.

Minister Lacayo also said that the government has organized the land reform sub-commissions that will work in Regions 2, 3, and 4. Regarding the occupation of the church and the Rama road, Lacayo said that the attitude of the demobilized contras of the so-called southern front surpasses the land problem and goes onto the political level, already with an eye on the 1996

elections. In the following news conference, Presidency Minister Antonio Lacayo speaks first, followed by Deputy Government Minister Jose Pallais.

[Begin Lacayo recording] The people on the Rama road are diverse people who have different problems and different interests, although one of the most important is the land issue. The Region 5 commission has been working, and it has been finding solutions. Even before the organization of the national commission, a small commission comprised of the INRA [Agrarian Reform National Institute] and the Government Ministry, which worked closely with the demobilized contras and the ATC [Farm Workers Association], was operating in Region 5, and some results had been obtained. Some progress had been made in solving the land problems of the demobilized contras in this region. The problems were alleviated when a large number of the demobilized contras moved to Region 6.

I think it is most important that the government continue looking for solutions to any new conflict which may come up regarding the land. The government must do this through the regional commission, which then passes on its recommendations to the national commission, which in turn presents them to the Presidency. Besides this, the Government Ministry has organized a commission to talk to some of the mayors, who are also supporting many of these movements for different reasons other than the land problem. This is worth studying to see what solutions can be found. I believe that currently there is a Government Ministry delegation on its way to Juigalpa. [end recording]

Deputy Government Minister Jose Pallais says:

[Begin Pallais recording] Regarding the takeover of the church, it is being carried out by members of the defunct southern front—which had signed a cease-fire agreement with the government—in protest against the government's alleged noncompliance with these agreements. They have been informed that the government believes it has fully complied with these agreements. Nevertheless, it is willing to listen to their demands or their positions regarding this alleged noncompliance. The government has reiterated its willingness to participate in a dialogue. We are willing to hear them, and we have sent them messages in this regard. We are willing, but they maintain a propagandistic attitude with this takeover. They have not replied to the government's willingness to enter into talks, to establish what the problems are, and to find the necessary solutions to continue advancing in the democratic process. [end recording]

Antonio Lacayo again speaks:

[Begin Lacayo recording] Decree No. 11-90 of 11 May granted Nicaraguans, who were interested in presenting property claims, 180 days during which they could present their cases before the Attorney General's Office. There is evidence that some Nicaraguans, particularly because of economic difficulties, have not been able to present their cases yet. Therefore, the president of the Republic has deemed it appropriate to grant a small extension of this period, until 31 December 1990. Accordingly, the persons who have just claims and have not been able to present them before today's deadline, for various reasons, can now count on approximately 55 more days to do so. [end recording]

Official on Struggle Over Land in Matagalpa

PA0711010290 Managua LA PRENSA in Spanish 1 Nov 90 p 1

[Report by Roger Suarez]

[Text] Deputy Government Minister Jose Pallais confirmed this morning that an undetermined number of people were wounded in acts of violence that took place at La Cumplida Farm, located 25 km from Matagalpa. The incident occurred when Alejandro Salazar, accompanied by several peasants, went to take possession of the farm after the National Revision Commission ordered the property had to be returned to him.

Peasants from Sandinist cooperatives, led by the pro-Sandinist Farm Workers Association (ATC), kept Salazar from setting foot on his property and fired at him and the group of peasants with him.

Deputy Minister Pallais said he had very sketchy information on the incident, but acknowledged that some people were injured and vehicles were destroyed. Reports from other sources stated eight peasants were injured by ATC supporters carrying firearms.

It is known that the National Revision Commission had ordered the return of farms to their rightful owners in Matagalpa and Jinotega Departments. Although the owners have been notified, they have been unable to take posssession of their properties because they fear the Sandinists will attack them, as happened to Alejandro Salazar.

Moreover, the government minister announced three persons were killed and six wounded in San Juan de Rio Coco when former rebels tried to take over the Casa de Piedra Farm. Two of the persons killed belonged to the Nicaraguan Resistance. A total of 17 persons have been killed so far over land disputes in rural areas.

RNOC Communique on Land Takeover, Violence

PA0611183290 Managua Radio Catolica in Spanish 1130 GMT 1 Nov 90

["Communique" issued by the Nicaraguan Resistance Civic Organization (RNOC) in Managua on 31 October; read by adviser Bernardo Pastora—live or recorded]

[Text] In view of remarks made today by Presidential Minister Antonio Lacayo saying that the Nicaraguan Resistance Civic Organization [RNOC] is encouraging land takeovers and perpetrating violent actions in rural areas of the country, we are hereby making the following clarification:

1. The Sandinist dictatorship's policy of displacing peasants to undermine the rural base of the Nicaraguan Resistance [RN], the return of thousands of refugees and repatriates to the country as the result of the disarming of the RN, and the return of thousands of peasants who populated the misery belts of all our cities to their places of origin are some of the main causes of the existing pressure in rural areas.

2. If to all this we add the Sandinists' scramble for the APP [people-owned land], state-owned and private property to which those the Sandinists displaced in the war against the RN are presently returning, we will have a general idea of the reality in rural areas. In addition, the National Agrarian Commission operating outside the national concerted effort and the arbitrary designation of alleged RN representatives are the fuel for the fire burning in the country's rural areas.

3. The RNOC flatly denies that it is encouraging land takeovers or that its leaders are doing it. We invite the minister to listen to the RNOC leaders, accompany us to visit the camps of the demobilized contras, and listen to their demands.

4. The RNOC holds the minister responsible for any violent actions that the divine mobs and hired killers might perpetrate against the civilian and disarmed members of our organization as the result of the minister's thoughtless charges against our leaders.

Managua, 31 October 1990

Divulgation and Press Committee of the Nicaraguan Resistance Civic Organization.

Former Contras Take Over Estates in Region 6

PA0611145590 Managua Radio Ya in Spanish 1200 GMT 2 Nov 90

[Text] It has been reported from Matagalpa that former contras have taken over 26 estates in Region 6. The INRA [National Institute for Agrarian Reform] delegate reported on this situation to the National Commission of Agrarian Issues. Members of this commission include the government minister, the Agrarian Reform minister; a member of the Sandinist People's Army [EPS] General Staff, Colonel Javier Carrion; Roberto Ferrey representing the demobilized contras; and other officials.

The INRA delegate explained that it has been confirmed that 26 estates have been occupied, while many other such cases have not been confirmed for lack of communications. Most of the estates are in the hands of the contras or the CPT [Permanent Workers' Congress]

The official pointed out that 19 estates belong to the private sector, four belong to [word indistinct], three belong to [word indistinct], and one belongs to the EPS. In addition, the contras are occupying the Muy Muy-Matiguas dairy farm, and they are dividing all of these estates into parcels, without any control whatsoever. This might lead to serious consequences. After learning of the report, the commission members agreed to meet on 6 November to resolve the problem. The commission members then left for Jinotega to learn of similar problems that are building up tension in that area.

Former contras have also taken over a stretch of the highway linking the Atlantic and Pacific Oceans. La Gateada, Muelles de los Bueyes, and El Rama are under the control of alleged demobilized contras who still have a large number of weapons. Approximately 1,700 former contras are demanding land from the government, an explanation of the incidents that took place at Yolaina, and the disarmament of the armed civilians, yet they did not include themselves among those civilians. It is interesting to point out that in other areas, the former contras have been encouraged by extremists in the government coalition.

Arde Members Continue Property Takeovers

PA0611190790 Managua Sistema Nacional de Television Network in Spanish 0330 GMT 6 Nov 90

[Text] Property takeovers continue in various parts of the country, including the La Sierritas Church, right here in Managua. Former contras stated today that Cardinal Obando y Bravo authorized the takeovers. Seven members of the Arde [Democratic Revolutionary Alliance] Southern Front yesterday took over the Las Sierritas Church in Managua, with Cardinal Miguel Obando y Bravo's authorization.

[Begin recording of Arde Political Adviser William Castillo] We entered the Las Sierritas Church at midday yesterday. We consulted with His Eminence Msgr. Cardinal Obando y Bravo. Initially, he tried to persuade us that the place was not adequate because there are no toilet facilities and a water supply only at night. We told him, however, that we had already made up our minds, and we were going ahead nonetheless. We also consider His Eminence to be a man at the service of the people and who respects the people's opinions. Because we are among the people, we knew he would not oppose our decision. [end recording]

The contras say that they will end the strike when the government complies with the demobilization agreements. We tried to talk to the cardinal to ask him why, if in his homilies he condemned the May and July strikes, which he described as disturbances [asonadas], he now accepts the takeover of his church, but he refused to talk to us.

Daniel Ortega Supports Agreement, Condemns Cosep

PA0611175290 Managua Sistema Nacional de Television Network in Spanish 0330 GMT 2 Nov 90

[Text] The FSLN [Sandinist National Liberation Front] has given its full support to the national agreement, and condemns the attitude of Cosep [Higher Council of National Enterprise] for joining the contras in promoting violence and war. Commander Daniel Ortega met with a

group of mothers participating in the 10th Latin American and Caribbean Congress of Relatives of Missing and Disappeared Persons being held in Managua. He said that the signatory parties, and especially the government, should comply with the national agreement.

[Begin Ortega recording] The FSLN fully supports the agreements reached. We support them because we should now direct our efforts and actions toward ensuring compliance with these agreements. We praise the effort by the government and the FSLN, the National Workers Front, the UNAG [National Union of Farmers and Cattlemen], the CPT [Permanent Workers Congress], and other sectors. [end recording]

He also criticized Cosep for allying itself with the counterrevolution.

[Begin Ortega recording] Cosep and the groups of counterrevolutionaries concur in their ideas and positions of again raising the flag of war. I would say that we are once again experiencing decisive moments in our country's history. All Nicaraguans are duty-bound, with the support of the international community, to combat the warlike positions of Cosep and these counterrevolutionary groups. We must support the agreements signed by the government, and the patriotic workers and producers of the UNAG, the CPT, and other institutions. [end recording]

PRC Reportedly Severs Diplomatic Relations

PA0711011790 Mexico City NOTIMEX in Spanish 2211 GMT 6 Nov 90

[Text] Managua, 6 Nov (NOTIMEX)—The Nicaraguan Government today reported the reestablishment of its diplomatic relations with Taiwan, thus provoking an immediate break in relations with the PRC.

The Nicaraguan Foreign Ministry issued a communique announcing the reestablishment of diplomatic relations with Taiwan, based on sovereign equality and as "a faithful reflection of reconciliation."

A Foreign Ministry spokesman was unable to confirm the break in diplomatic relations with the PRC.

A Chinese diplomatic source said the PRC Government "was forced to suspend its relations with Nicaragua in view of the violation of the agreement between the countries, which recognized the government of mainland China as the only legal government."

"Taiwan forms part of China, and the establishment of relations with an illegitimate government that is not recognized is unacceptable," the source added.

Nicaragua broke relations with Taiwan in 1984 during the Sandinist regime and established diplomatic ties with the PRC.

The PRC Government is the first to break relations with Nicaragua since President Violeta Chamorro took office on 25 April.

Norway Donates $2.3 Million for Energy Sector

PA0711033290 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 1 Nov 90

[Text] The Nicaraguan Government signed three important cooperation agreements on 31 October. Dr. Noel Vidaurre, deputy minister of foreign cooperation, signed an agreement by which the Kingdom of Norway will donate 15 million Swedish [as heard] kronor, equivalent to $2.3 million, which will be used in the reconditioning of the electricity distribution system.

[Begin recording] [Arthur Sidnes, Norwegian Government representative] This small contribution to the energy sector will help to relieve the difficult economic situation that Nicaragua is experiencing.

[Vidaurre] This afternoon we signed an agreement that demonstrates the solidarity and friendship between two governments and two peoples who are friends and brothers. [end recording]

Two more agreements were also signed with the Central American Bank of Economic Integration, by which a loan worth $810,000 was granted for repair and improvement of roads, and another worth $960,000 for railroad improvement and construction projects. The loans were granted at a five-percent annual interest rate over 10 years, including a four-year grace period.

Panama

Mulino Views Mutual Legal Assistance Treaty

PA0711025790 Panama City LA PRENSA in Spanish 6 Nov 90 p 22-A

[Report by Nubia Aparicio]

[Text] Deputy Foreign Minister Jose Raul Mulino has denied there is secrecy in the negotiations of the Mutual Legal Assistance Treaty, and he added that Panama will never sign any agreement under U.S. pressure.

"We are freely, and within our circumstances as a country, negotiating. At no time, however, will we sign an agreement because we are pressured," the deputy foreign minister emphatically said.

He added that if the treaty is signed, "it will be in line with Panama's best interests; otherwise, there will be no agreement."

He said that various sectors and government officials will be consulted about the treaty this week and that the talks with the United States will be resumed soon.

Nevertheless, Mulino indicated that "it is not healthy to have everyone give their opinion on the agreement because not everyone is knowledgeable about the topic."

He said these kinds of negotiations are not easy, but he added that "we are willing to negotiate to find the formula that benefits Panama."

"Obviously, if that formula is not healthy for the country and if it means the destruction of the country's financial system, I must tell the country that neither Foreign Minister Julio Linares, myself, nor any of the Panamanian negotiators would be sitting at the negotiating table," Mulino added.

Referring to a report published in a local newspaper on 4 November, Mulino said he is unaware of a document described by the paper as a treaty for exchange of tax information (TIEA).

"Such a treaty does not exist, nor are we negotiating it, and neither is it a condition for the negotiation we are undertaking with the U.S. Government on the Mutual Legal Assistance Treaty," the deputy foreign minister said.

He added that such reports only cause harm and confuse the public. "We have spoken to the public as clearly as possible and we have tried to provide it with information, but obviously bearing in mind the confidentiality demanded by these negotiations."

Argentina

Menem, Spanish Official Discuss Cooperation

PY0611200790 Buenos Aires TELAM in Spanish 1234 GMT 5 Nov 90

[Text] Buenos Aires, 5 Nov (TELAM)—President Carlos Menem today received Spanish Defense Secretary Rafael de la Cruz Corcoll. They considered some "concrete possibilities" for Argentina and Spain to cooperate industrially in the defense sector.

Speaking at Government House following his meeting with Menem, the Spanish official ratified his country's position of "finding a peaceful solution" to the Persian Gulf crisis.

Regarding the cooperation in the defense sector, the Spanish defense secretary emphasized that the Mixed Argentine-Spanish Commission, which was created to make such cooperation viable, has worked very hard in Spain "and will continue to work very hard during my three days here while we attempt to reach concrete agreements."

The Spanish official reported that this afternoon he will meet with Defense Promotion Under Secretary Juan Jose Basualdo. They will open the talks of the Mixed Argentine-Spanish Commission in Buenos Aires, which seeks "to make progress in the field of industrial cooperation in the defense sector between the two countries."

After pointing out that he informed Menem about these issues and their prospects, the Spanish official indicated that he also discussed with the head of state points specifically linked to the Gulf crisis. He said that on this point "President Menem and I expressed our satisfaction over the compliance with the embargo on Iraq that was decreed by the UN Security Council."

Concerning the Spanish position toward the Middle East crisis, the visitor reiterated that "we are seeking peaceful solutions." He later spoke of the possibility of sending a new Spanish naval force to the Gulf zone, where a frigate and two corvettes are already operating. He said: "This will be just a relief operation."

During his meeting with Menem, he was accompanied by Foreign Relations Under Secretary Hector Subiza, representing Foreign Minister Domingo Cavallo; Antonio Segura, the charge d'affaires at the Spanish Embassy; and Sergio Rubiano, the defense attache at the Spanish Embassy.

Deputy Governor of Salta Province Fired

PY0611212390 Buenos Aires TELAM in Spanish 1104 GMT 6 Nov 90

[Text] Salta, 6 Nov (TELAM)—By a vote of 16 to six, the Salta Province Senate has fired Deputy Governor Pedro Maximo de los Rios because he has been found guilty of irregularities. Julio Argentino Sanmillan, the Senate's first vice president, will replace him.

The decision was handed down during a public session following an extended session that began yesterday morning with accusations by the prosecuting committee of the Chamber of Deputies, which insisted that he be fired, and the pleas of the defense, which rebutted the accusations.

There were only 22 members present of the 23-member Senate, because the member for Anta has still to be chosen. The debate lasted for approximately three hours, and Supreme Court President Roberto Frias presided over the session, as usual.

The public session began just after 1900, during which the votes were cast. The session had been held behind closed doors.

Frias then asked the legislators to hand down their decision on the five charges, which were: administrative irregularities; the matter of commission on a trip to Buenos Aires that had not been appropriately documented; deficiencies in the Senate accounts; irregularities in purchases for the Senate's printing shop; and having two Senate employees working at his home.

A total of 16 senators, 14 from the Justicialist Party bloc, one from the UCR [Radical Civic Union], and one from the Renewal Party handed down a decision of guilty, while five members from the Peronist Restoration faction and one from the Christian Democratic Party voted not guilty.

The Senate Investigative Committee began its sessions in March 1990 and determined that irregularities existed; this has now been approved by the Senate.

President Meets With Visiting PRC Official

PY0611160090 Buenos Aires TELAM in Spanish 2131 GMT 5 Nov 90

[Text] Buenos Aires, 5 Nov (TELAM)—President Carlos Menem met with Gu Yongjiang, PRC vice minister [as received] for foreign economic relations and trade, at Government House yesterday at 1815. Gu Yongjiang was accompanied by PRC Ambassador to Argentina Li Guoxin and Argentine Ambassador Hector Subiza.

Bilateral relations and Menem's upcoming visit to the PRC on 14-15 November were analyzed during the meeting.

Police Arrest Alleged Subversives in La Plata

PY0611191190 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1316 GMT 6 Nov 90

[Text] La Plata, 6 Nov (NA)—Federal Police personnel last night arrested an alleged former member of the People's Revolutionary Army [ERP] and a woman after a long shoot-out.

According to a report published today by the local newspaper EL DIA, the man identified as Marcelo Steffa and the unidentified woman may be linked to the self-styled Che Guevara Brigade.

Following an order from Judge Orlando Chamot, the Federal Police arrested the couple in a house on Rivadavia Street, a few meters from General Belgrano Street in City Bell.

The criminals opened fired on the police, who repelled the attack. Steffa was wounded in the leg during the short shoot-out [as received].

On 5 November members of the self-styled Che Guevara Brigade allegedly perpetrated an attack on a school in La Boca neighborhood in Buenos Aires. A six-year-old girl and one of the criminals died during that attack.

Drilling Contracts To Be Signed With Firms

PY0611232890 Buenos Aires BUENOS AIRES HERALD in English 6 Nov 90 p 3

[Text] (DYN-YPF)—In an attempt to boost its production and foreign exports the state oil company Yacimientos Petroliferos Fiscales (YPF) [Government Oil Deposits] is to sign contracts with private companies for the drilling of 196 oil wells, it was announced yesterday.

As a precursor to the deregulation of the oil sector, which officially takes effect on January 1 1991, the private firms will be renumerated with part of the crude oil they extract from the wells, which are located in the provinces of Mendoza, Neuquen and Santa Cruz.

They will enjoy complete discretion on the use of the oil, both on the national and international market.

YPF officials estimate that three million cubic metres of crude oil will be extracted in the first ten years of development. Private sector investment is forecast to reach 120 million dollars over that period.

Interested companies must present offers at a bidding ceremony provisionally scheduled for November 23.

Cost of Living Increases 7.7 Percent in October

PY0611230090 Buenos Aires BUENOS AIRES HERALD in English 6 Nov 90 p 1

[Text] (DYN)—The cost of living rose by 7.7 percent in October, according to figures released yesterday by the National Institute of Statistics and Census (INDEC), marking the first single-digit inflation figure registered since November 1989.

This information was made public by Planning Secretary Moises Ikonikoff, who also announced that wholesale prices increased by 2.7 percent this last month and the cost of construction went up by 5.6 percent.

Ikonikoff stated that "once again," the cost of private services had increased by more than the consumer price index. "Without this pattern," he added, "inflation would have been 6.3 percent."

In Uruguay, government figures estimated October's rate of inflation at 6.47 percent, taking the accumulated total for the first ten months of 1990 to 106.28 percent.

* Possibility of Social Unrest Analyzed

91SM0031D Buenos Aires SOMOS in Spanish 5 Sep 90 pp 16-18

[Report by Hector Simeoni, Jorge Grecco, and Alberto Torres de la Puerta]

[Text] "Antonio is getting even for the no vote and is going to cause us problems," opined a member of the very large entourage that accompanied Carlos Menem on his trip to Chile. The senior official was waving a cable from a news agency quoting the remarks of the brand new minister of the Buenos Aires government, Jose Diaz Bancalari, which contained an ominous prediction: the likelihood of a social explosion.

It is almost unnecessary to explain that the outraged Menem supporter was accusing Cafiero (what other prominent Antonio is there in Peronist slang?) of seeking revenge for the defeat of the yes vote in the plebiscite early this month.

Without waiting until he set foot back on Argentine soil, Carlos Menem heaped insults on the La Plata official. "It was not lack of control or anger," SOMOS was told; "what the president wanted was to nip in the bud any possibility of a controversy." The fact is, and no one hides it, that the Casa Rosada does not want the issue to be bandied about, especially during this trial period for the economic plan, which has been jolted by renewed austerity.

Some of the numbers are downright frightening, though. In the Greater Buenos Aires Area alone 250,000 people are without work, while another 300,000 are underemployed (a euphemism for sporadic jobs). What is most worrisome is that the statistics do not include some 500,000 "resigned unemployed" who are no longer even looking for work.

Firings and Layoffs

Torcuato Sozio, the provincial undersecretary of labor, is another who has up-to-date figures on the issue. Between January and May of this year in the Buenos Aires area there were 12,002 firings, 27,754 layoffs, 5,436 reductions of the workday, and 3,093 early vacations. These were the reported cases, but if we include the deals with companies and the dismissals of workers who were "off the books," the numbers would be up 140 percent.

The nation's undersecretary of labor, Rodolfo Diaz, also has his numbers: "In Argentina there are seven million

people with jobs, out of a work force of 12.5 million. We've lost 122,000 jobs in a year." In Diaz' view, the trend that has been seen for the past ten years has only continued in recent months. "The changes are relative," he says. "Things have not improved, but we haven't gotten to an explosive situation. It's true that we haven't been able to reverse the employment trend, but it's not true that we've worsened it."

Last week's rumors were that in Buenos Aires the government has seen its revenues decline very appreciably and will thus be forced to suspend its direct-assistance programs. The rumor was denied, "for the time being," it was clarified. The fact is that in the Buenos Aires area 308,026 children are being fed every day; another 269,098 get lunch additions, and 1,079,567 receive a glass of milk. The total is 1,656,567, and the bill comes to some $4 million a month. Some 3,000 tons of food a month are distributed to 1.5 million people at a cost of $3 million every 30 days.

The New Poor

When the Buenos Aires minister of social action, Rafael Roma, was asked who might begin the social protest, he said that it would surely not come from the sectors that have suffered from chronic poverty, "which has already broken their will, leaving them without the strength to change anything." He thinks that most of the unrest could come from the group of the "new poor," which consists of "those who were fired from their factory jobs just recently, those whose wages have shrunk, and those who are used to a standard of living that isn't there anymore. They are the ones who have the ability to criticize and organize for a more vigorous protest and the channels for action."

When Interior Minister Julio Mera Figueroa spoke out publicly to deny any possibility of a social explosion, he did so after examining several intelligence reports. One of them, from the Federal Police, emphasizes the lack of evidence that unrest is brewing. It reviews the situation in Greater Buenos Aires, describing it as "normal."

Enlightening details do emerge, of course. One of the reports tells of surveillance in 126 shantytowns and slums in the La Matanza District, where 27,000 active criminals were found to exist. The same report recommends renewed assistance to this area.

Another report from the intelligence section of the Cordoba police relates that there are no groups in that province inciting civil disobedience or popular uprisings, nor are their campaigns of psychological action. It notes that the local police have sufficient personnel to cope with any breach of peace.

As for the outlook across the nation, the situation is reported as normal in Tucuman and Mendoza. The Santa Fe corridor running from Rosario to San Nicolas in Buenos Aires Province is cited as a potentially troubled area, however.

Province by Province

The most complete study on the issue is probably the one that the State Secretariat of Intelligence has just submitted to President Menem. It contains a thorough assessment of the country's various areas. Let us look at its most significant points:

- In General Sarmiento (Greater Buenos Aires) the unemployment rate is 15 percent, and there has been agitation and activism in outlying slums, hospitals, and health-care centers. One-fifth of the population is living in extreme poverty.
- In the Greater La Plata Area agitation has been detected in slums, as well as an increase in social tensions in semi-urban areas as a result of hikes in public-service rates.
- In Chaco Province unemployment is said to have risen strikingly, but the overall situation is normal, with considerable protest in the wake of the teachers conflict.
- Unemployment and underemployment have risen strikingly in Salta. Police understaffing is so bad that it may not be able to control a massive social explosion. Agitation has been detected, mainly in the trade unions.
- Mendoza: situation calm. Only some sort of spontaneous reaction from housewives is possible.
- Jujuy: tensions are limited to the conflicts that break out between the provincial government and the Front of State Unions.
- Chubut: although the institutional crisis that is jolting the province is now boiling down to the teachers conflict, its effects encompass all sectors. The government headed by Dr. Perl seems to be having trouble guaranteeing normal educational, health-care, and judicial services.
- Santa Cruz: situation normal, with a striking increase in crime. Conditions for a social explosion are not present.
- Formosa, Neuquen, Rio Negro, Catamarca, Santiago del Estero, Tierra del Fuego: no signs of social unrest.

What Could Happen

In its conclusions the SIDE [Secretariat for State Intelligence] report points to the rise in unemployment and the ongoing dismissals and layoffs of workers. It also notes that the crime rate is increasing by the day, with a high percentage of crimes against property (robbery and burglary). The security forces are unable to deter crime because they are short of funds (insufficient equipment and manpower, low wages).

The report points cautiously to intensified agitation that "tends to capitalize on the discontent that exists at all levels of society focusing its activism on disadvantaged segments, slums, and trade unions. Accordingly, the organizations that are displaying the most activism are: MAS [Movement Toward Socialism], PO [Workers Party], PC [Communist Party], and the Party of Liberation.

Shortly thereafter, the report levels something similar to an accusation, asserting that the agitators "are part of and are involved in the systems of social assistance implemented by provincial governments. The feeling is that they have sufficient potential for agitation to reap benefits from the discontent that exists among the populace."

The intelligence report emphasizes that whereas the looting in 1989 was staged mainly by low-income sectors, "at present the influencing factors (safety, health care, jobs, and unemployment) also touch the salary-earning middle class, in which evidence of a heightened awareness can be seen."

SIDE's final conclusion is as follows: "Although the conditions that could generate pockets of tension are objectively present, especially in the provinces of Salta, Santa Fe, and Buenos Aires, for the time being specific developments that could lead to a social explosion in the short run are not to be seen, especially if the provincial governors promptly adopt mitigating measures to neutralize the prevailing social situation." Finally, it emphasizes the "great social discipline of average Argentines, which acts as an element of self-restraint and self-control and lessens the possibility of their becoming collectively involved in outbreaks of social unrest."

* CGT-San Martin To Propose Wage Increase

91SM0031C Buenos Aires LA PRENSA in Spanish 20 Sep 90 p 8

[Text] The CGT [General Confederation of Labor]-San Martin will propose that the minimum wage, which has stood at 20,000 australes for 14 months, "be updated so that it is on the same level as in recent years."

The union will submit the proposal to the Minimum Wage Council, which the Labor Ministry will convene in the next few days.

The head of the labor union, Guerino Andreoni, let it be known that the CGT leadership, which will meet at 1500 hours at the headquarters of the textile union, would begin evaluating "the amount of the minimum wage that we will defend, using several conventional wages as references."

The secretary of social action of the CGT-San Martin and head of the textile union, Pedro Goyeneche, advised that "we will try to agree on a wage that is consistent with what the workers need."

"We're working on this issue and trying to find a just amount. We know that there are basic, conventional wages that have eroded badly, and this could somewhat complicate our talks with the other members of the council to find a decent minimum, but through dialogue we will make all necessary efforts."

The decision to call a meeting of the council was made "in light of the expiration of the economic emergency law, which states that the basic wage will be used as a benchmark for severance pay, not the minimum wage, as was the case previously, and for this reason this figure must be brought up to date," advised a spokesman for the Labor Ministry.

CGT-Azopardo

"An effective, just anti-inflation policy in Argentina must be based on an attack against underlying inflationary pressures. To this end production must be increased, which in the current situation is possible in an initial stage by boosting demand through higher wages and by reactivating idle capacity, along with a strong investment policy."

This is the CGT-Azopardo proposal in a declaration signed by its secretary general, Saul Ubaldini, and released after a meeting of its Board of Directors.

The document states that "one of the sophisms that the economic authorities of the past 15 years have repeated most often is to attribute inflation to excessive domestic demand caused by monetary expansion. From this diagnosis arise the anti-inflation policies that consist of tight money, eliminating the budget deficit, shrinking domestic credit, the unification and decontrol of the foreign-exchange market, decontrol of overseas payments, international capital movements, and above all a decline in wages to cut consumption. Nevertheless, inflation has not ebbed and remains above 15 percent a month."

* Need To Hasten Economic Reforms Underlined

91SM0031A Buenos Aires LA PRENSA in Spanish 23 Sep 90 p 1

[Report by Roberto H. Cachanosky]

[Text] The big debate today in the Soviet Union is how fast economic reform should be carried forward in moving towards a market system. The point is that half-hearted, gradual progress is causing a complicated economic situation that is creating mounting pressure, among both the public and the political leaders who defend change, to hasten such change.

Similarly, in Argentina there is major support for what the administration is saying on economic issues. Often, however, such support is critical of the reform as being too slow and lacking the intensity needed to emerge from the current crisis as quickly as possible.

Personally, I can only concur with what the administration is saying when it stresses the need to privatize, deregulate, and cut government spending. However, the fact that one agrees with the language does not mean that one also has to agree with the manner and the pace at which the changes are being implemented. Critical support seeks precisely to help the administration proceed as carefully as possible, not to destroy what it is trying to do.

In this regard, we must also consider how the system can be changed at the lowest possible social cost.

At the moment, perhaps for social reasons, the administration is moving forward slowly, given how serious Argentina's crisis is, in cutting government spending and, in particular, in reducing the number of civil servants.

As I have pointed out on other occasions, the economic strategy adopted by the administration in late August is to build a bridge between the current juncture and the juncture when what was promised in the omnibus decree will have been carried out. The foundation of this bridge is another transfer from the private to the public sector in order to finance the latter while it tightens its belt. The source of this financing is a higher tax burden, higher public-utility rates, and dollar-denominated interest rates that are worthy of a science-fiction novel. What is the social cost of this strategy? A high unemployment rate in the private sector.

Ever since Dr. Menem took over as president, the language of economic policy has been pointing in the right direction, but the progress in implementing this language has been, in my judgment, extremely slow. As a result of this sluggish tightening of the public sector's belt, the private sector continues to shrink alarmingly. Thus, for example, the unemployment rate in May of this year was 8.6 percent, while underemployment stood at 9.3 percent; these are both records for the past ten years.

Thus, the social consideration being shown for the excessive number of civil servants has as its counterpart a high social cost in terms of lower employment and real wages in the private sector.

In light of what we have said, the criticisms to the effect that the structural reforms must be hastened and refined have a basis, not only because they are politically and economically appropriate but also because such shock treatment entails the least costly transition. This is because the faster the economy is reformed and stabilized, the quicker growth will come, with the resulting beneficial effect on the demand for labor and higher real wages.

Two Currency System

One of the things that requires urgent structural reform is, in fact, the monetary system. Last week the idea of being able to open up checking accounts in dollars and of granting loans in that currency was put forth.

When the possibility that the austral as fiat currency would be eliminated was raised, the administration came out and denied that it was going to establish a two-currency system.

Although the opening of dollar checking accounts is a step forward, once again the administration is moving too slowly on an issue that is fundamental to laying the groundwork for growth, that is to say, establishing a monetary system that will allow for the creation of a capital market that can finance economic development. The fact, which many politicians refuse to accept, is that we Argentines use dollars in every transaction we can. The number of transactions that are performed in dollars is on the rise, simply because the austral is a debased currency.

Naturally, if the austral as fiat currency were done away with, the government would suddenly find that it could no longer continue to make use of the inflation tax, whereupon it would have to practice definitive fiscal austerity. If it failed to do so, the issuance of australes in competition with other, stable currencies would cause the death of the austral by heart attack, which would again force the government to tighten its fiscal belt because it would find itself without a currency.

I think that those who oppose a multi-currency system are trying to defend the potential use of the inflation tax, rather than their own mistaken concept of sovereignty. Moreover, if the government feels that the austral can be strengthened, the best way to do so is to subject it to intense competition with other currencies and to allow people, not public officials, to decide what medium of exchange they would rather use as a currency. In point of fact, people have already voted: the austral is not a credible currency. What is more, as long as the government insists on forcing people to use the austral, low-income groups will be the hardest hit, as they will continue to receive their pay in a depreciated currency, while middle- and upper-income sectors can seek refuge in a strong one.

Conviction Versus Resignation

One last thought about the pace of economic policy. As I said before, the structural reforms are being carried out in a slow, disorganized manner, causing high social costs in terms of unemployment and falling real wages in the private sector.

Now then, in my judgment these moves are being made slowly and in a disorganized fashion because a good many people in the ruling party do not agree with privatization and cuts in government spending out of conviction; they merely accept them out of necessity.

And privatization out of conviction is very different from privatization out of necessity. When there is privatization out of necessity, there is a tendency to privatize only what is necessary to save the day, in other words to keep the Treasury in cash. In contrast, when it is done out of conviction, the impact of the change is much broader and faster, and the Treasury's bottom line is the result of sound economic policy.

Some Peronists argue, in justifying their change of language in defense of privatizations, that ideology is dead in today's world. I think that the only ideologies that have died are socialism, interventionism, and statism, but that classical liberalism is not just alive but, moreover, brimming with health.

Therefore, the resignation that former interventionists are displaying translates into a sort of stinginess in making changes, and because such changes are isolated and are not part of a well organized, simultaneously implemented plan, they detract from the effectiveness of the steps that have already been taken.

Bolivia

U.S. Ties Aid to Army in Fight Against Drugs

PY0611234490 Madrid EFE in English 2247 GMT 6 Nov 90

[Text] La Paz, Nov 6 (EFE)—The United States has conditioned a considerable part of a multimillion-dollar military aid package to Bolivia on its Army taking a greater part in the fight against drug-trafficking, diplomats in the capital said Tuesday, 6 November.

The officials said the U.S. Government wanted a pledge from La Paz that the Army will expand its campaign against drugs, but said that Bolivian President Jaime Paz Zamora would be free, however, to decide exactly when the forces would go into action.

U.S. President George Bush granted Bolivia $33.2 million in military aid during a summit with Paz Zamora in May.

But Bolivian military officials quoted Tuesday in the ULTIMA HORA daily said that while the Bush administration had handed over the promised money to the Air Force and Navy, it was holding back funds earmarked for the Army.

There were no details on how much the Army would be allocated.

The Army will receive its aid as soon as it announces plans to augment its part in the fight against drugs, the officials, who refused to be named, said.

Paz Zamora has hesitated to call the Army into the war against narcotics until military police find they are unable to stem trafficking alone.

Bolivian Interior Minister Guillermo Capobianco said Tuesday the new U.S. stance violated Article 3 of the May accord.

"Article 3 very clearly establishes that a program of economic cooperation for the Armed Forces is already being implemented to increase their capacity and preparation so that when the president of the Republic decides, they can join in the active and direct fight against drug-trafficking," Capobianco said.

While the May agreement specified that several Army antinarcotic battalions would cooperate, it left it to Paz Zamora's discretion when and in what ways additional units would take part.

With an annual production of 150,000 tonnes, Bolivia is second only to Peru in the world production of coca leaf, the raw material for cocaine.

The United States is the largest consumer nation of the drug.

No 'Direct Intervention' Planned in Drug Fight

PY0611023090 La Paz Television Boliviana Network in Spanish 0030 GMT 6 Nov 90

[Excerpt] The Armed Forces commander in chief, General Jorge Moreira, stated today that the Army will only participate in the struggle against drug trafficking through logistical support operations, not direct intervention.

[Begin Moreira recording] I think that, lately, people have been speculating quite a bit about Armed Forces participation in the struggle against drug trafficking. I think everyone knows that the Armed Forces have had only a relative participation in the past few years. Only the Air Force and Navy are involved, through logistical support operations and personnel transport. The Armed Forces are not participating in armed intervention. Bolivia has organizations for this—that is, the special antinarcotics force.

Now some sectors of the media are voicing their concern over a possible worsening of drug trafficking problems. If so, I am sure that the executive branch will decide at the right moment whether the Army, especially, will participate in this type of struggle. [passage omitted] [end recording]

Cochabamba 'Virtually Isolated' by General Strike

PY0611213790 Madrid EFE in Spanish 1736 GMT 6 Nov 90

[Text] La Paz, 6 Nov (EFE)—Cochabamba, the country's third largest city, became virtually isolated from the rest of the country today because of a general strike that has been called to demand the disbursement of government funds.

Alvaro Moscoso is the chairman of the Civic Committee, which comprises organizations that defend regional interests. He reported to the press: "Never before has a similar strike been staged."

This is the first time since the establishment of democracy in the country in 1982 that Cochabamba private companies have staged a strike. Entrepreneurial leader Juan Carlos Orsini has said that the private sector believes "it is high time the Government decided to work in favor of the regions."

Cochabamba, where 500,000 people live in the urban area alone, is isolated because all flights have been suspended and roads, streets, and avenues of the city have been blocked to prevent the circulation of vehicles.

For the last 12 years, Cochabamba has been trying to finish the construction of a modern airport. The failure by the government to pay for the contracted work, however, has caused the construction work to be stopped.

The Italian company in charge of the construction has stopped work, dismissed 300 workers, and is now demanding the immediate payment of $1.5 million of a $9.1-million debt, before it will agree to resume the construction work.

The Civic Committee has also emphasized the residents' repeated protest against the shortage of water and the lack of government financial support for water-resource projects.

Deputy Alfonso Ferrufino, of the leftist Free Bolivia Movement, has warned: "If the government does not change its indifferent and scornful attitude toward the problems of Cochabamba, it may have to face extremely delicate situations."

Minister of the Presidency Gustavo Fernandez, however, has asserted in La Paz that the government "is not indifferent or scornful." It is making "special efforts" to control the disbursements of the General National Treasury.

PRC Envoy Comments on Trade Office for Taiwan

PY0711025090 La Paz La Red Panamericana in Spanish 0000 GMT 7 Nov 90

[Text] Xie Rumao, PRC ambassador to Bolivia, has said that diplomatic relations between his country and our country are normal.

The Chinese Embassy is waiting for an explanation from Bolivia about the authorization it gave Taiwan to establish a trade office in our territory.

Xie Rumao explained that at no time was the embassy consulted about the Bolivian decision, (?which was announced) by Foreign Minister Iturralde.

The Chinese diplomat said (?they expect) Bolivia to comply with the agreements signed in 1985 establishing specific standards.

The PRC recognizes Taiwan as part of its territory, and the United Nations has specific resolutions on this matter.

Brazil

Minister Outlines Agreements With Iraq

PY0711022290 Rio de Janeiro O GLOBO in Portuguese 6 Nov 90 p 3

[Text] Brasilia—On 5 November, Foreign Minister Francisco Rezek stated that the government had certified all the contracts private enterprises signed with the Iraqi Government for the release of 256 Brazilians who were held there, with the reservation that the certification did not mean the Brazilian Government would acknowledge any type of payment that might be requested because of eventual noncompliance with the contracts that were signed. The foreign minister admitted that the word guarantee could be used, but it would be a metaphor. Although he denied any secret agreements, Rezek did not wish to show the press the accords that were signed during negotiations to obtain the release of the Brazilians. The negotiations were headed by Ambassador Paulo Tarso Flecha de Lima.

The Brazilian Government stressed that it will do everything it can in an effort not to obstruct the work; on the contrary, it will do everything it can to facilitate the resumption of the work once the embargo is over, the minister emphasized, claiming that he could not show the documentation because he did not have it at hand.

Rezek denied the negotiations were secret, but he gave no concrete demonstration to the contrary when he would not release the documentation pertaining to the negotiations. He did not even disclose the telegram outlining the negotiations' history that was sent to him by Flecha de Lima. The minister claimed this could generate a certain touchiness in the international arena.

The foreign minister justified extending the financing of the work being carried out by Mendes Junior Enterprise as an economic issue. If this had not been authorized by the Economy Ministry, it would have cost Brazil $700 million for not complying with an agreement that was signed by the previous government.

The minister also confirmed the existence of a letter by Flecha de Lima in which he promises that the work will be resumed as soon as the Persian Gulf conflict ends.

Rezek insisted on saying that this in no way implies any burden for the Brazilian taxpayer because any international court would favor the Brazilian enterprises because of the circumstances under which the contracts were suspended.

Collor, EEC Ambassadors Discuss Trade

PY0611150590 Brasilia Domestic Service in Portuguese 2100 GMT 5 Nov 90

[Excerpts] Today President Fernando Collor de Mello spoke with EEC ambassadors during a lunch at the Portuguese Embassy.

He expressed his confidence that the negotiations by Ambassador Jorio Dauster that will take place this week in the United States will result in a definite agreement on the Brazilian foreign debt. [passage omitted]

The presidential spokesman reported that debates on the foreign debt will not harm the negotiations and that Collor's explanation was well received by the European ambassadors.

President Collor also discussed the trade situation between Brazil and Europe, stressing that Brazil's products will reach the European Common Market through Portugal.

The Persian Gulf conflict was also discussed, and Collor expressed his hope for a quick, peaceful, and negotiated solution.

The president proposed that the agenda of the world environmental conference scheduled to take place in Brazil in 1992 should include an objective analysis of the kind of world we want to have in the 21st century.

Ecuador's President Borja Arrives in Brasilia

PY0611155090 Madrid EFE in Spanish 1446 GMT 6 Nov 90

[Text] Brasilia, 6 Nov (EFE)—Ecuadoran President Rodrigo Borja arrived at the Brasilia military base at 1225 (1425 GMT) today, where he was met by Brazilian President Fernando Collor de Mello. After the two presidents exchanged greetings, a military band played the national anthems of the two countries, and a battery fired the customary 21-gun salute.

The Ecuadoran chief of state today begins the final stage of his official tour through several South American countries, which included Argentina and Uruguay.

Fernando Collor de Mello and Rodrigo Borja will meet this afternoon to discuss issues of bilateral interest and regional and international affairs.

The Ecuadoran president will return home tomorrow, 7 November, after signing several bilateral agreements expanding cooperation between Ecuador and Brazil at Government House in Brasilia.

Drug Leader Reportedly Operates in Paraguay

PY0611172390 Rio de Janeiro O GLOBO in Portuguese 4 Nov 90 p 5

[Text] Ponta Pora, Mato Grosso do Sul State—Gerson Palermo, 35, who escaped from a Sao Paulo prison one month ago, is one of the main leaders of the gang that was caught while in possession of half a ton of cocaine. This information has been released by the police of Ponta Pora, the city that borders with the Paraguayan city of Pedro Juan Caballero, from where Palermo engaged in drug trafficking, smuggling, truck theft, and the supply of ether and acetone to Bolivian cocaine producers. The merchandise was transported in four twin-engined planes that are registered in Paraguay. The police from Parana, Mato Grosso do Sul, and Sao Paulo states keep a large file on Gerson's criminal activities.

As soon as he escaped from prison, Gerson resumed the leadership of a gang of criminals and drug traffickers that operates in Brazil, Bolivia, Paraguay, and Argentina. The police have said that the number of dead truck drivers and stolen vehicles will increase in the next 10 days. The Paraguayan police have assured that Gerson is being held in Brazil, or by officials of the U.S. DEA [Drug Enforcement Administration] organization. [sentence as published]

Federal Police Director Romeo Tuma has reported in Sao Paulo that the Federal Police have intensified their operations on the border with Colombia to prevent drugs being brought into Brazil.

Enterprises Added to Privatization Program

PY0711023090 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Nov 90 p B 9

[Text] Yesterday the president of the Republic signed a decree increasing the number of enterprises included in the National Denationalization Program. In addition to five new enterprises, the government wishes to privatize shares that Petrobras Fertilizers (Petrofertil) and Petrobras Chemical Corporation (Petroquisa) have in various enterprises.

The new enterprises included in the denationalization program, as of publication of the corresponding decree, are Petrofertil, Amazon Shipping Company, River Plate Basin Navigation Service, Sao Francisco Shipping Company, and Celma Electromechanical Company.

The shares Petrofertil has in Araxa Fertilizers Enterprise (Arafertil) and Indag [expansion unknown] will also be privatized, as well as those that Petroquisa has in Salgema Chemical Industries, Alcanor Chemical Enterprise of Alagoas, Alagoas Industrial Company (Cinal), Pernambuco Synthetic Rubber Company [Companhia Pernambucana de Borracha Sintetica—Coperbo], National Alcohol- Chemical Enterprise, Petroflex Industry and Commerce Enterprise, Nitriflex Industry and Commerce Enterprise, Alcalis National Enterprise, and Carioca Catalyzer Factory.

Chile

President Aylwin Comments on National Issues

PY0611133090 Santiago Television Nacional de Chile Network in Spanish 0005 GMT 6 Nov 90

[Interview with President Patricio Aylwin by Patricia Politzer at La Moneda Palace; date not given— live or recorded]

[Text] [Politzer] Good evening, President.

[Aylwin] Good evening, Patricia.

[Politzer] All transition processes result in tension between the military men who must return to their garrisons and the civilian government that assumes office. Chile is no exception in this respect. Currently, tension is being created by the organization of the Army leadership. It is known that you rejected promotions for Generals Carlos Parera [commander of the Metropolitan Region Military Garrison] and Ramon Castro [chief of

the Chilean military mission in the United States]. It is also known that the Army is not very willing to accept this decision. What is the situation? Do you believe in a dialogue with them to seek a solution, or is your decision firm?

[Aylwin] In this matter the government is exercising its appropriate authority. In accordance with the Constitution and the Armed Forces Law, it is the president who decides. The commanders in chief of each institution make their proposals.

Before formulating their proposals, the Navy and Air Force commanders in chief discussed them with the Defense Minister, who is their immediate chief. Naturally, the proposals that were discussed had no difficulty in being approved by the president.

I suggested to the Army commander in chief that he should do the same thing. He preferred, however, to submit his proposals without prior consultation, and exercising my powers, I have decided who should be promoted and who should not be. My decision cannot be contested constitutionally. The Armed Forces are obedient, and I hope the executive branch decisions will be complied with without major difficulties.

[Politzer] President, must the generals that were not promoted leave the Army to avoid problems that could be caused by the system of rank?

[Aylwin] Normally that is how it should be regarding the institution's tradition; in other words, the out-ranked officer should leave. In the Army commander in chief's proposals for promotions to brigadier general, however, there are officers who have been passed over. There are brigadiers that have been passed over, yet their retirement has not been proposed. Consequently, this is something that must be decided by law.

[Politzer] President, why did you reject the promotions of Generals Parera and Castro?

[Aylwin] It would not be appropriate to make those reasons public. I am sure the two generals know the reasons, and the Army commander in chief must also know the reasons.

[Politzer] Did the fact that General Parera was a high-ranking DINA [National Intelligence Directorate] chief during the time of General Contrera [first director of DINA] influence your decision?

[Aylwin] I repeat—it would not be appropriate to make public the decisions of the president on this matter because it is exclusively my prerogative to do so.

[Politzer] There are those who believe that your decision to not accept the Army's proposals—above and beyond the persons who were rejected—has to do with your decision to demonstrate that the person who ultimately has the reins of power is the president. Is this true?

[Aylwin] I suppose that many things can be said regarding this matter. I am not concerned with creating images. I am concerned about acting in accordance with my conscience and exercising the authority with which I am empowered in the interests of the country. Each decision I make is the one I believe the country needs.

[Politzer] Public opinion is clearly aware that the Army has found it more difficult than the other forces to adjust to this new situation of a transition to democracy. In your judgment, is this because General Pinochet is the Army commander in chief or is there a general rebelliousness within the military men?

[Aylwin] I do not believe that there is a general rebelliousness within the Army because this would mean that there was a lack of discipline. Besides, there are no indications that this is so.

I believe the problem is that he who was accustomed to absolute rule for 17 years is finding it hard to play the role he chose, that of Army commander in chief, subordinate to the authority of the president and the defense minister.

[Politzer] Does this mean you still believe—as you said in December 1989—that it would be good for the country if General Pinochet left his post as commander in chief?

[Aylwin] That is a decision that should be made by Pinochet, and the positions in that respect are well known.

[Politzer] It is almost a rule that power isolates people. Are you feeling the effects of this malady?

[Aylwin] I have always tried to avoid it. It is a fact that power tends to put distance between the ruler and the ruled. It is a fact that the presidential staff often prevents him from having a bad time or from receiving bad news. The news he receives is always presented in the best possible way. But I have always tried—I have said this publicly—to avoid this problem. I speak with my followers and with my adversaries. I meet with opposition legislators. I try to get in touch with the people at the grass-roots level when touring the provinces. I believe that I am not isolated and that I am clearly aware of our many problems.

[Politzer] Have you heard the jokes about your administration, Mr. President?

[Aylwin] I have only heard a few jokes. Perhaps I am not the subject of too many jokes yet, or perhaps I have just not heard them.

[Politzer] There is a joke saying that our joy is going up in smoke [referring to an electoral slogan promising that Aylwin's victory would bring joy], that people do not feel the joy that was predicted during the campaign. Many people do not see the real advantages of having Aylwin in La Moneda Palace.

[Aylwin] That is not just a joke; it is a slogan of opposition sectors who want to play with those words. I have never said—the country is my witness—that things would be solved overnight. It is obvious that we are living in a clearly different country. First, Chileans respect each other. There is peaceful coexistence, and people are not persecuted because of their ideas. I think the fact that each one of us can say what we think, the fact that we can express our ideas publicly without fear of being disappeared, arrested, or exiled is already a good reason for joy. There is a climate of freedom in Chile, and there is also a climate of negotiation. The spirit of confrontation that prevailed for many years is gone. The prevailing feeling today is one of understanding.

[Politzer] President, the people's main concern—as evidenced by recent surveys—is the state of the economy. The figures show that we are not better off than we were a year ago. Last month's inflation rate was released today, and it was 3.8 percent, which is quite high.

[Aylwin] I can categorically assure you that we are not worse off today than last year. Our higher inflation rate is another matter, and it is causing some worry in the government. I am greatly concerned about the impact of our economic situation on the poor. It hurts me to see the cost of living increasing, bread costing nearly 200 pesos, milk costing nearly 170 pesos a liter, and bus fares increasing. We never said that we would eliminate these problems. The Persian Gulf conflict is a coincidental situation that is affecting the world economy and, naturally, our own. Higher oil prices and a world close to recession because of the risk of war have affected our country.

I want to be very clear: Our main concern is the poor. Despite the latest price increases, the poor are better off today than when we came to power.

[Politzer] Excuse me, President, but economic growth has practically stopped, unemployment has increased, and the inflation rate is higher. How are we better off?

[Aylwin] Today's unemployment rate is the same as it was last year in the same month—that is, somewhere between six and seven percent. It was 6.7 percent, to be precise. It is the same rate as last year. It is not true that the unemployment rate has increased. The unemployment rate will drop considerably in the next few months because we are in the process of reactivating the construction field in housing—especially low-income housing—urban street paving, and public works construction, which will help greatly in solving the unemployment problem.

It hurts me when people lose their jobs, when people come and frankly tell me: Look, our possibilities in the textile field are running out because we need protectionist measures. These are very complex problems, but in general, I am telling you that it is not true that the unemployment rate has increased.

The minimum wage has increased from 16,000 to 26,000 pesos, which is at a higher rate than the cost of living. Minimum retirement pensions have been readjusted. There is currently no minimum retirement pension less than 21,000 or 22,000 pesos. Assistance pensions have been doubled, but the cost of living has not doubled. Consequently, the truth is that the poor are better off now than they were when we came to power.

What surprises me is that the people who are complaining about these things and accusing us of being insensitive are the ones who for 17 years accepted and supported a policy that completely ignored the poor.

[Politzer] Your critics say that they can handle the economy better. They claim that they would have not stopped growth and that the poor and the country in general would have therefore been better off. The criticism over the inefficiency of the economic team is the loudest.

[Aylwin] I categorically reject this criticism, which simply demonstrates the arrogance of those who feel like they have been endowed with wisdom. The truth is that they know perfectly well that they left us an overheated economy, as the economists put it. An economic growth rate greater than 10 percent was not sustainable given the existing investment levels and the fact that it was founded on an increase in imports that was actually endangering our economic stability, to the point that the Central Bank—which acts autonomously and whose executive board was appointed by the former regime—adopted adjustment measures last December and January to avoid an inflationary outbreak even before we assumed power.

We have a very clear commitment to the country. To me, this is a priority objective. We must avoid the danger of an inflationary process.

To avoid the inflationary process, we have enforced a policy of recession designed by the Central Bank. The executive branch would have proposed some slightly different changes. The Central Bank, which is autonomous, has enforced this policy, however, and the government has supported it; it would have been very negative to grope in the dark, changing decisions everyday.

Had it not been for the Persian Gulf crisis, this policy would have been totally successful. The Persian Gulf crisis, which broke out in August, was followed by an upsetting oil price increase. We are convinced, however, that in November we will manage to curb inflation, reduce it to a reasonable level, and resume the reactivation of our economy.

Everything points to this conclusion. Investments in our country have never been as substantial and as large as they have been this year. These investments and the great confidence that the international community has in the Chilean economy prove that we are right.

Beyond the comments of those who want to profit from the circumstances and create a political image for partisan reasons, I have talked with major businessmen who have acknowledged that the Chilean economy is on sound footing and that we can look to the future with optimism and confidence.

[Politzer] Beyond the figures, however, there are businessmen who harbor doubts, who do not believe that you are really committed to this economic model, who think that your commitment is merely a pragmatic attitude—as you yourself have said on some occasions—and that, if there is a sudden need to get more votes, the model might be cast aside.

[Aylwin] Look, I am glad you asked this question. It is not businessmen but some opposition party leaders who are saying that.

Despite the considerate treatment that they have received from the government and despite the government's willingness to engage in a dialogue toward agreement, some party leaders have used aggressive language and presumed that we have other objectives. I believe this is very harmful.

Please let me say something on this subject. An opposition party leader has charged that the government is resorting to evil methods—that is, methods that are intrinsically wicked and based on the worst type of wickedness, because evil means being deliberately wicked. I would say that the use of such methods will lead to a loss of credibility. I do not think that the country and the Chileans who are listening to me will believe that this is an evil government with evil objectives.

I will now answer your question. It is true; I am not a dogmatic supporter of either a liberal or socialist economy. I believe that the current world trend is for an open, competitive market economy. This is happening all over the world and I support it. It would be stupid of me to try to enforce interventionist models that have been discarded everywhere when they have proved to be inefficient.

My support for an open and competitive economic model, my decision and commitment to continue with this model, and my belief that the private sector plays a decisive role as the driving force of economic development have not led me to adopt a dogmatic attitude of privatizing everything and doing away with state intervention.

The state is an instrument for the common good, and its role is to implement the necessary measures to protect the public from private interests and to help the weakest so that free enterprise will not become a big fish that eats the smaller fish. Its role is also to seek justice. With due respect for the free, open, and competitive economic model based on clear and stable rules, I will not ignore the state's inescapable duty to assist the weakest sectors. This is the rationale behind our social policies; our reformation of labor laws; our revision of the tax code, which will make those who earn more contribute to paying the social debt for the weakest; and our health, housing, and education policies, which give priority attention to the most neglected sectors.

[Politzer] President, besides the economy, another issue that is causing great concern at this time is public order. The people are worried, and many think the government is just as perplexed as the rest of us. How does La Moneda see the situation?

[Aylwin] First, I will tell you that we do not have a public order problem. We may have a problem with security for crime against individuals and properties, but it is not a problem of public order. There is public peace in Chile; there is no disorder in the streets. The situation is quite calm in these terms.

I am seriously concerned—not perplexed, but concerned, which are two different things—about the number of crimes, such as armed assaults, sometimes followed by murder and most of the time by robbery. The first picture that our adversaries tried to paint was one of political-terrorist group action, of terrorism. Investigations have shown that there is only a minimum of politically motivated terrorism in those actions and that most of them are common crimes. I am personally seriously concerned about this common crime, and the government is determined to confront it.

Let me explain: First, I have to point out that this problem is also deliberately and intentionally magnified by opposition sectors and the headlines of some newspapers. Today an important newspaper published a letter from the office of Thompson and whatever, an advertising agency, noting that the attack against the agency was not politically motivated, as had been reported, but simply a criminal action; that the stolen objects had been recovered; that the assailants are about to be identified; and that the action is not nearly the scandal some sectors said it was.

I asked the Carabineros and Investigative Police to provide me with a report on the number of murders, assaults, robberies, and bombings from January to October of this year and last. I found the figures surprisingly similar. There were less people killed but more injured. Robberies have increased somewhat, but bomb attacks have decreased by 40 percent.

Despite all the improvements, I think the problem is serious, and we must be concerned. It is not a government problem or a political issue.

[Politzer] What concrete measures can the government implement to alleviate the situation?.

[Aylwin] First, we believed it was essential to strengthen the police forces—that is, the Carabineros and the Investigative Police. The people who are criticizing us do not point out that the Carabineros have not changed or grown for the past 15 years. The population and the

other investigative branches under the Defense Ministry have grown larger in the meantime. We decided to contract 4,400 new Carabineros officers, or 1,100 new officers for each year of my government. The program will start this November. We have supplied the Carabineros with as much equipment as allowed by the budget, and we have improved the personnel and equipment of the Investigative Police.

The government decided to reduce fiscal expenditures by five percent next year to reduce the risk of recession, but we excluded police and security forces from the cuts.

The government has used and will continue to use all legal means at its disposal to face concrete problems. We want to improve the judicial system. The judicial branch in Chile must be made more efficient. We intend to face this problem by submitting a judicial branch reform bill to Congress. We want to investigate the causes of the problem. An analysis of robbery cases reveals two things: First, the participants are young, between 15 and 25 years old, with most of them closer to 17 to 20 or 21 years old. I think Chile's youth is influenced today by the violence that is disseminated to some extent by the media. I am deeply concerned about the violence in most television films today. These films encourage young people to commit acts of violence.

[Politzer] Speaking of the causes of violence, particularly in terms of the audacity, efficiency, level of information, and sophistication of some criminals' weapons, some people think former CNI [National Information Center] officials may be involved. Has the government considered this possibility?

[Aylwin] We have to consider all possibilities. We want to see an in-depth investigation to clarify matters. We are calling on the country and all political forces to help us instead of trying to take advantage of the situation. We have to work together to discover the truth. I am surprised about some people's attitudes toward the violence, robberies, or murders. These people did not say anything about the disappearance of people, the murder of the previous regime's political adversaries, and the kind of violence that prevailed for so many years in the past.

[Politzer] In this regard, CNI officials have recently been reported to be involved in the so-called Cutufa affair, which was an illegal financial agency that apparently operated within the Army. Mr. President, what is your opinion of this scandal?

[Aylwin] I will give an opinion on general issues and an opinion on specific issues. In general, I believe this type of thing is common in regimes in which some sectors—which feel they are untouchable and above the rules that apply to everyone else—engage in abuse, committing immoral, wrong actions in the belief that they enjoy a certain immunity. I believe an investigation is essential to find the truth. I believe peaceful coexistence is based on truth. I said this when I was a presidential candidate, and I am saying it now. That is why I want the truth in cases of human rights violations, that is why I want the truth in criminal cases, and that is why I want the truth in this type of action, which has undermined the foundations of our coexistence.

As for the specific features of this case, I cannot level charges against anyone without an investigation and when I do not have complete information. I believe a president should not level charges against anyone without tangible evidence.

[Politzer] Mr. President, what is the truth in the case of political prisoners? To begin with, do you think there are political prisoners in Chile?

[Aylwin] Beyond all doubt, there are prisoners in Chile who are charged with crimes of political motivation [delitos de motivacion politica]. This situation calls for a solution. About 300 people have been prosecuted for crimes with political connotations that were committed under the previous regime. I....

[Politzer, interrupting] The rightist sector claims they are mere terrorists.

[Aylwin] I categorically deny that all of them can be considered terrorists. The word terrorist frightens everyone. The truth is that there are terrorists, but there is also verbal terrorism by those who want to sow a sort of collective panic, and who use the word terrorist improperly.

I have been very clear. I have said that I want this problem solved on the basis of justice. This means that all those who were not judged fairly should be released promptly. I would say that most of these people have been jailed and prosecuted for a long time without the guarantee of a fair trial. Some of them have been prosecuted for five, six, seven, or more years. Some people have been jailed for nine years, and no sentence has been issued in their case. At the same time, the courts have sometimes decided to release prisoners who had been jailed for three or four years after ruling that they were not guilty of anything.

That is why, at the beginning of our administration, we submitted the draft bills that are known as the Cumplido [after Justice Minister Francisco Cumplido] laws. Unfortunately, the study of these bills has been delayed much more than we expected.

[Politzer] Rather than delayed, the debate on the Cumplido laws has been stagnant; now a solution is being sought for the political prisoners through a presidential pardon. Mr. President, if this formula is approved, are you willing to pardon all political prisoners?

[Aylwin] I will answer your question, but before doing so, I will rebut a statement you made. The Cumplido laws are not stagnant. Last week the Senate approved a schedule according to which the laws should be approved in general terms—a commitment has been made in this regard—on 7 November. The schedule provides for a 14

November debate on each article of the laws. I trust that a reasonable solution will be found, and it will allow for enforcement of the laws, which will facilitate a resolution of these problems.

If anyone wants to wash his hands like Pontius Pilate for a second or third time by leaving the problem to be solved by the president of the Republic, I accept the challenge.

[Politzer] What does that mean?

[Aylwin] This means I am willing to assume responsibility for deciding on the freedom of political prisoners according to my conscience and based on each prisoner's file. In order to exercise my option to pardon, however—in case it is given to me—the trials must first be concluded because the president cannot grant a pardon as long as a trial is pending. To conclude the trials, I think rules on jurisdictions must first be approved so the cases cannot be used indefinitely as instruments of pressure.

[Politzer] Mr. President, if the trial in the attack on General Pinochet is concluded and a sentence issued, would you be willing to pardon, according to your conscience, those who participated in the attack?

[Aylwin] If it comes up, I would have to analyze each man's case, evaluate his responsibility, determine how guilty he is, and based on this, adopt the measure that, according to my conscience, is fairest.

[Politzer] Mr. President, based on the same criteria, are you willing to pardon those who have committed human rights violations?

[Aylwin] I have already voiced my firm position on this subject. A Truth and Reconciliation Committee has been formed. Some people criticized it when it first began work, but the country now trusts it. The committee has demonstrated seriousness in its actions. I am waiting for a report from this committee. When the time comes, it will be revealed to the public, and my decision will depend on the conclusions of the committee's report.

[Politzer] Mr. President, the Coalition of Parties for Democracy spoke about truth, justice, and reconciliation. After eight months of administration, do you think it is realistic to talk about truth and reconciliation since justice will not be possible?

[Aylwin] I have always said that there will be as much truth and justice as possible, and reconciliation.

[Politzer] Is justice still possible?

[Aylwin] I maintain that belief—there will be as much justice as possible. There are many limitations, as we all know, like the current amnesty law and the Supreme Court of Justice's interpretation of it. One must never totally give up seeking justice, however.

[Politzer] The idea of a new amnesty law for the 1978-1990 period is gaining strength every day. Have you thought about this?

[Aylwin] I have not thought about it, and I oppose any action that could represent a concealed amnesty. I repeat, I am waiting for the Truth and Reconciliation Committee's conclusions. The decisions I will make or the proposal I will make to the country when the time comes will be based on those conclusions.

[Politzer] Mr. President, when seeking truth, would you prefer that in the future the Supreme Court of Justice interpret the amnesty law in a different manner and investigate the truth before pardoning those who are involved in crimes?

[Aylwin] Of course. I think that is the appropriate juridical interpretation; at least, that is what I think as a leader and a lawyer.

[Politzer] Before concluding, Mr. President, why don't you tell us how it has been for Patricio Aylwin, the citizen and lawyer, to carry the enormous responsibility of being in La Moneda Palace?

[Aylwin] Look, I cannot conceal from you the fact that it is natural for me. I do not pretend to have been born for this office; only God knows why I came to this office; however, the truth is that it was not difficult for me to adjust to the tasks inherent in the office. I can sense the weight of responsibility, but it does not overwhelm me. Fortunately, I have a team of very efficient assistants. The government exhibits no glaring contrasts and, contrary to the supposed infighting between socialists and Christian Democrats and the supposed pressures that keep me going from one side to another, I have not in fact felt such pressures and pulls. I work with my ministers as a team, and I frequently meet with them as a Cabinet or in small groups. I listen to opinions, a consensus is usually reached, and decisions are made together. Whenever an agreement is not reached, I make the decision, fully aware of the fact that I am making the best possible decision or, at least, not making the worst possible decision.

[Politzer] Mr. President, some say that for the rapport between the socialists and Christian Democrats to continue beyond 1993, you should be reelected. If the Constitution allowed it, would you be willing to continue?

[Aylwin] I have not given any thought to this matter, but a reelection is not in my plans. I have said categorically that I was elected for a four-year term, a period that we accepted voluntarily—although it is extremely short. I am not in favor of the eight-year term of office provided for in the 1980 Constitution, and we will propose that it be modified. Still, I think the four-year term is very short; five or six-year terms would be reasonable. At any rate, I will not make myself available for another try, and I do not think that those who propose this seriously

believe that I should be the candidate, passing over many younger people who have just aspirations to be president and could do better.

[Politzer] Has anything robbed you of sleep these last few months, Mr. President?

[Aylwin] Thank God, I sleep well. The job causes me many concerns, and I work very hard, but my six or seven hours of sleep are not disturbed by anything.

[Politzer] Thank you very much, Mr. President, for agreeing to take this journalistic pounding. Thank you and good night.

[Aylwin] Thank you for giving me the opportunity to let the Chilean people know, through my answers to your questions, what the president of the Republic thinks and what motivates him.

[Politzer] Thanks to all of you watching us tonight. Good night.

Pinochet Meets With Officers, Discusses Issues

PY0711140090 Santiago Domestic Service in Spanish 1000 GMT 7 Nov 90

[Text] General Pinochet has analyzed the accident that occurred in a mined area near the Peruvian border, Army promotions, and the case of the La Cutufa illegal finance agency during a meeting with officers at the Santiago Military Garrison. The meeting was held at the Military School, and General Pinochet was the only speaker.

Regarding the accident in a mined area near the Peruvian border, Pinochet urged the officers to be extremely careful in handling explosive devices.

He also briefed his subordinates on the proposed promotions that are now being considered by the Office of the Comptroller. It should be recalled that President Aylwin refused to approve the promotions of Generals Carlos Pareda and Ramon Castro; these generals have not retired and are continuing in their posts as chief of the Santiago Military Garrison and Chilean attache to the United States, respectively.

As for the La Cutufa illegal finance agency, Pinochet said that the measures adopted by the Army are based on the need to maintain discipline, which is the main tenet for an Army institution. Pinochet will hold a similar meeting at the Military School on 7 November.

Further on Meeting About Promotions

PY0711141590 Madrid EFE in English 1009 GMT 7 Nov 90

[Text] Santiago, Nov 7 (EFE)—Former military dictator and Army chief Gen. Augusto Pinochet has held a meeting with around 1,000 officers to reportedly discuss Chilean President Patricio Aylwin's refusal to approve the promotion of two controversial generals.

No details of Tuesday's meeting were officially disclosed, but Chilean news media said Pinochet had called the meeting to discuss Aylwin's refusal to allow Brigadier Gens. Carlos Parera and Ramon Castro to be promoted to major generals.

Pinochet, who seized power in a bloody 1973 coup, handed over power to democratically-elected Aylwin in March, but under the military-drafted Constitution he has stayed on as Army chief.

The meeting at the Santiago Military School came hours after the president, who is supreme head of the Armed Forces, reiterated he would use his constitutional rights to overrule the military promotions, put forward by Pinochet late last month.

Parera's promotion has been vetoed because he served as head of the now disbanded secret police force and refused, when he served as military judge, to re-open investigations into the murder of former Chilean foreign minister and ambassador to the United States Orlando Letelier.

Letelier was murdered in 1976—three years after Pinochet ousted former president Salvador Allende—and a U.S. court ruled Chilean secret police were behind the slaying.

More recently Parera allegedly insulted Aylwin during a military parade.

Castro's promotion has been vetoed due to his involvement in a shady 1984 real estate deal concerning a prime piece of land requisitioned by the Army and eventually transferred to Pinochet's private ownership.

Aylwin Approves Proposed 1991 Navy Command

PY0711132090 Santiago LA SEGUNDA in Spanish 26 Oct 90 p 11

[Text] President Patricio Aylwin has approved the Navy Command for 1991 as proposed by Navy Commander Admiral Jorge Martinez.

The 26 appointments follow:

Vice Admiral Alfredo Gallegos Villalobos, squadron commander.

Vice Admiral Claudio Aguayo Herrera, Navy services director general.

Vice Admiral Juan Mackay Barriga, Navy personnel director general.

Vice Admiral Juan Toledo de la Maza, merchant marine and maritime territory director general.

Rear Admiral Jorge Llorente Dominguez, Second Naval Zone commander.

Rear Admiral Jorge Arancibia Reyes, Navy chief of staff.

Rear Admiral Horacio Groetaers Tosos, Navy comptroller.

Rear Admiral Eduardo Oelckers Sepulveda, Submarine Force commander.

Rear Admiral Oscar Vidal Walton, First Naval Zone commander.

Rear Admiral Sergio Jarpa Gerhard, program director.

Rear Admiral (J) [as published] Mario Duvauchelle Rodriguez, general auditor.

Rear Admiral Sergio Garcia Grene, shipyard and arsenal [maestranza] director.

Rear Admiral Hector Liderman Garcia, engineering director.

Rear Admiral Carlos Schnaldt Parker, chief of the Chilean Navy mission in Washington.

Rear Admiral Octavio Bolelli Luna, chief of the Chilean Navy mission in London.

Rear Admiral German Goddard Dufeu, Fourth Naval Zone commander.

Rear Admiral Ariel Rosas Mascaro, deputy chief of staff for national defense.

Rear Admiral Jaime Marin Moreno, Marine Infantry commander.

Rear Admiral Arturo Vasquez Norman, accounting and supplies director.

Rear Admiral Hugo Bruna Greene, education director.

Rear Admiral Pedro Arrieta Gurruchaga, welfare director.

Captain Hernan Couyoumjian Bergamail, weapons commander.

Captain Fernando Sarabia Neumann, Third Naval Zone commander.

Captain Eduardo Berardi Gaete, Navy Aviation commander.

Captain Carlos Rojas Tampier, health director.

Police Officers Fired for Operating Drug Ring

PY0611230590 Madrid EFE in Spanish 1529 GMT 6 Nov 90

[Text] Santiago, 6 Nov (EFE) — Ten police officers of the Investigative Police (plainclothes) were fired today and placed at the disposal of the courts after it came to light that they were the organizers of a cocaine trafficking ring in a city in southern Chile.

An official communique indicates that the gang includes a deputy prefect, a captain, a deputy captain, three inspectors, and four detectives. They were fired "for behavior incompatible with institutional principles" while posted in the city of Temuco, 671 km south of Santiago.

The communique was issued by the leadership of the police institution. It adds that the case has been placed before the courts in accordance with current legislation.

Omar Jara, the local prefect of the Investigative Police, has confirmed that the fired officers were traffickers of cocaine. He said that they were discovered through an investigation carried out by the institution's Internal Affairs Department.

Press reports indicate that the gang of police traffickers obtained their cocaine in the city of Arica on the Peruvian border, 2,051 km north of Santiago, and that they distributed it through well-known businessmen who operate tourism centers in the south of Chile.

To facilitate their operations, the policemen blackmailed cattle dealers by telling them their tax dodging would not be reported if they cooperated as cocaine distributors.

According to the press, the actions of the drug ring extended into the Argentine province of Neuquen, which borders on the Chilean region of Araucania, of which Temuco is the capital.

The policemen also distributed cocaine directly to the addicts in the cities via three well-known night spots and a local taxi fleet.

Former Secret Police Agent Murdered in Santiago

PY0611170090 Madrid EFE in Spanish 1239 GMT 6 Nov 90

[Text] Santiago, 6 Nov (EFE)—Police sources have reported that a Chilean Army major who served in the secret police under General Pinochet's military regime was shot to death in Santiago last night. Major Manuel Flores Gallano, 37, died at 0700 (1000 GMT) this morning. He was shot three times in the chest and abdomen in an attack that took place at 2200 (0100 GMT) last night in southern Santiago.

The police said Flores Gallano was in his car with a friend when he was attacked by three individuals who broke the windows of the vehicle and shot him at point-blank range. Witnesses said the criminals escaped on foot in different directions. Some 20 suspects were arrested during a police dragnet in the area shortly after the attack.

No group has yet claimed responsibility for the attack, but the police have not ruled out the possibility that the killing was perpetrated by common criminals in an attempt to rob the officer's car. Holdups against couples in cars take place frequently in Santiago.

Flores Gallano was assigned to the Army Intelligence Directorate, but under General Pinochet's regime he was an agent at the National Intelligence Center, the military regime's secret police.

On 26 October unidentified individuals murdered Army NCO Victor Valenzuela Montecinos, previously a Pinochet bodyguard, as he was leaving his home in southern Santiago. No subversive group has claimed responsibility for this murder, which has still not been clarified.

Commission To Examine Closing Illegal Stations

PY0711024090 Santiago Domestic Service in Spanish 1000 GMT 6 Nov 90

[Text] Following a meeting with Enrique Correa, secretary of the Secretariat General of Government, Oscar Pizarro, president of the Association of Chilean Broadcasters [Archi], said it has been agreed to create a commission made up of lawyers from the Interior Ministry and the Secretariat General of Government to examine in depth the possibility of stopping illegal radio stations from operating. He added that, in this way, all problems caused by illegal radio stations will be overcome.

[Begin Pizarro recording] We held a meeting with the Secretary General of Government in which we agreed on creating a commission made up of lawyers from the Interior Ministry and the Secretariat General of Government and Archi representatives, among others. This commission will be in charge of definitively implementing laws on telecommunications and the interior security of the state so that illegal radio stations stop operating in Chile.

We also agreed on drafting a bill on Chilean radio broadcasting that will no longer depend on the law on telecommunications. This bill will be submitted to both the executive and legislative branches. [end recording]

Pizarro said this commission should begin work inmediately, adding that Archi will cooperate in drafting a modern, efficient broadcasting law.

Consumer Price Index for October Released

PY0611224190 Santiago Domestic Service in Spanish 1100 GMT 6 Nov 90

[Excerpts] Economy Minister Carlos Ominami has said that the Consumer Price Index (IPC) for October is estimated at 3.7 percent. He said that although this figure is high, it clearly show an improvement on September's figures, which totaled 4.9 percent.

Ominami said that if the figures submitted by the Chamber of Commerce and the Central Bank are compared, the IPC projections for this month are considerably lower than those of businessmen and opposition political leaders. [passage omitted]

Ominami said that despite the negative forecasts of some sectors the economic growth during 1990 will be positive. It should be noted that on Tuesday 6 October [date as heard] the National Statistic Institute will announce the IPC, which is expected to be between 3.5 and 3.7 percent.

Colombia

* Kidnappings Alter View of Narcotraffickers

* Motives Analyzed

91SM0025A Bogota SEMANA in Spanish 2 Oct 90 pp 22-23

[Text] The last communication any of the families of the kidnapped newsmen had with anyone was a telephone call on Friday, the 21st, from a man identifying himself as "Caliche." The latter told Roberto Pombo, who represents the Santos family on matters relating to Francisco's kidnapping, that the family would receive his clothing the following day as proof that he was still alive. A week later, the clothing had still not arrived. The call was followed by a communique from the "Extraditables" discrediting Caliche as a spokesman for the Medellin cartel, athough not denying they had the kidnap victims. Then nothing but silence.

Despite the lack of communication, Colombian authorities and the families of the kidnap victims have formed certain conclusions helping to formulate working hypotheses in order to deal with the situation. The first of these is that the victims are being held by Pablo Escobar. General Miguel Maza Marquez, director of DAS [Administrative Department of Security], and General Miguel Antonio Gomez Padilla, director of the National Police, who initially had reservations about who masterminded the kidnappings—mainly that of Diana Turbay because of its singular characteristics—are now fully convinced it is a new offensive by the Medellin cartel.

As far as Caliche's calls and subsequent deauthorization are concerned, it is believed they are part of an overall strategy purportedly aimed at revealing the cartel's aspirations through a person connected with it, only to subsequently deauthorize him as a spokesman but without refuting the substance of his claims. The purpose of such a maneuver would be to let it be known that they have the kidnap victims and what the cartel wants, without any need to identify themselves. As if not to leave any doubt about who was behind the kidnappings, they included in their "sampling" the sister of German Montoya, former secretary of the Office of the President during the Barco Administration. Except for Pablo Escobar, Mrs. Marina Montoya de Perez could be of interest to no one, for she is a simple, respectable housewife without economic resources and completely removed from the world of intrigue and power. This fact is interpreted as the signature Escobar placed on the kidnappings, but in invisible ink!

As far as Diana Turbay is concerned, despite repeated denials by former priest Manuel Perez concerning the Army of National Liberation's participation, there is a steadily-growing belief that the daughter of the former president and her companions were deceived by a cell of that guerrilla movement, whose purpose was not exactly to take them to the guerrilla leader, but rather, to Escobar. It would then be a contract for services, evidence of which has emerged on other occasions.

Turbay is a cautious woman who, before she accepted the invitation to go to the mountain, demanded all kinds of proof that the senders of the "invitaton" belonged to that subversive organization. She and her editor, Juan Vitta, met with them for the exclusive purpose of verifying the authenticity of the invitation and were evidently satisfied with the proof shown them. All of which lends weight to the interpretation that an ELN [Army of National Liberation] cell was involved.

What could happen now? There is a possibility that no credit will be claimed for the kidnappings and no specific demands will be made. The purpose of not making such claims would be to prevent classification of the crime of kidnapping, which would complicate things if a negotiated settlement were to be sought. Order 2047 concerning a reduction in punishment and nonextradition covers the crimes retroactively and ceases being applicable to any crime committed after its issuance. Consequently, if Escobar is more interested in a solution than all-out war, it would not be logical to affix his signature to one more crime, which would be equivalent to burning his bridges.

As far as the demands are concerned, it is quite possible they will never be formulated for the simple reason that to do so would be a recognition of authority. Pablo Escobar, whose talent as a strategist even his worst detractors are forced to recognize, knows perfectly well that any attempt at direct blackmail would only provoke a resounding refusal from the government.

If President Gaviria should receive a communique from the Extraditables demanding political treatment, nonextradition, or pardon, they would automatically be barring their own way. It has therefore been suggested that the strategy consisted of allowing Caliche to speak and then silencing him. This would be a test balloon to measure the temperature, set everyone thinking, and then wait, in other words, without asking for anything specific, generate sufficient indirect pressure through the kidnappings so that a movement or events would result that would be beneficial to them. In this way, the Extraditables would be sending the ball back to the court of the Establishment, which would then have to create suitable conditions for release of the hostages. Such conditions would not necessarily have to come from the Executive Branch, but could also involve Congress, the Constitutional Assembly, or even the press.

The issues of interest to the Extraditables are nonextradition, treatment of the issue as a political rather than common crime, and even pardon. They do not depend exclusively upon Cesar Gaviria, as was shown at the meeting of Liberal congressmen on Wednesday of last week and as demonstrated by proposals from guerrillas and even a number of newspaper columns. These issues, which had remained almost dormant in the background, emerged with particular intensity as a result of the kidnappings. For example, at the meeting of Liberal congressmen last week, whose initial purpose was to elect the Central Political Committee, Bernardo Guerra and Alberto Santofimio surprised those present by openly bringing up the burning issues. Santofimio brought up nonextradition and Guerra broached the political handling of all forms of violence, leading one to suppose it included drug trafficking. Guerra's move would have topped it all off if not for that by Horacio Serpa who, in asking for a detailed explanation which he could understand, started a debate that prevented a real battle. The expression of the day came from Alvaro Uribe Velez, who said that support for Guerra's proposal could be interpreted as a peace move and physical salvation for those signing and a peace move and moral salvation for those not doing so. After the debate, which exposed more than a little cowardliness and hypocrisy, Serpa's measure resulted in a transactional formula that avoided extending equal treatment to all factors of violence, but rather, "the treatment required in each case."

And if the politicians sank their teeth into these issues, the guerrillas did not lag behind either. In the midst of discussions of possible participation by the FARC [Colombian Revolutionary Armed Forces] and ELN in the peace processes and the Constitutional Assembly, one of the proposals of the Guerrilla Coordinating Committee was the inclusion of nonextradition in the agenda.

For their part, a number of newspaper columnists such as D'Artagnan and Juan Diego Jaramillo decided to turn their columns over to debate on the subject that drug terrorism might be considered a political crime.

All these events took place due to personal initiatives which, while not part of a coordinated plan, are nevertheless related to the recent kidnappings. As a result of the latter, an invisible hand seems to be at work which, without directly involving the government or the victims' families, may be easing conditions for release of the hostages.

* 'Criminal' Label Debated

91SM0025B Bogota EL TIEMPO in Spanish 26 Sep 90 p 5A

[Editorial by D'Artagnan]

[Text] It will not be easy to destroy the argument that the Extraditables are political criminals and therefore deserving of the same treatment as that extended to the M-19 and now the EPL [Popular Liberation Army].

The reasoning that when those groups rose up in arms, they also committed assassinations and acts of terrorism

is practically irrefutable. And if we go by the traditional definition that political crimes include acts aimed at the organization or operation of government as well as the citizens' rights derived therefrom, it becomes difficult to draw a line between what the aforementioned guerrilla groups did and crimes in which the so-called "Extraditables" are now involved, a group which some time ago already labeled themselves as an underground political-military organization.

Nor is it any exaggeration to point out that the first to give political status to drug traffickers was the previous government when, instead of referring to a serious police case, opted to use the word "war," which has undeniable political connotations. Based on the state of siege, allegedly indispensable decrees were issued to face that war, and that same method is still being used, as one can deduce from the order to reduce penalties for drug traffickers who turn themselves in voluntarily.

Concerning limitations on the government in exercising powers connected with the state of siege, constitutionalist Jacobo Perez Escobar maintains (in "Colombian Constitutional Law," 1974, Editorial Horizontes, Jacobo Perez Escobar) that: "Using the state of siege to restore law and order disturbed by events so serious that they might threaten constitutional order or the stability of legitimate authorities, the government cannot, pursuant to the powers conferred upon it by Article 121 of the constitution, carry out acts other than those needed to restore constitutional normality to the country. Consequently, it cannot punish or take action against common criminals, inasmuch as that is what the courts are for." The fact that that administration of justice does not work in Colombia is another matter!

If, to the previous concept, one adds the fact—sufficiently known to everyone—that when the M-19 took over the Palace of Justice, the first thing it did was look for the records against those accused of narcotics trafficking in order to burn them, it is even more daring to draw that line between the acts of the two groups, labeling those of the former political and those of the latter common crimes, the latter—and this is a major difference—punishable according to the state of siege.

What we have here is an unprecedented disturbance of the constitutional order. When the number of ways out dwindles and the government's back is gradually pushed against the wall, the possibility of dialogue emerges. Nor does dialogue necessarily imply negotiation. That is perhaps what should have been done to prevent the holocaust at the Palace of Justice, as we have always maintained here.

There are other fateful but obvious government precedents involving the Extraditables, specifically, when Alvaro Diego Montoyo (among others) was kidnapped. Diego Montoya was the son of the general secretary of the Office of President who embarked upon back-door talks through two distinguished mediators while at the front door the country would be told a lie: that there was no rapprochement whatsoever between the two sides. This is what one of them has since called the "rabbit."

What is absolutely certain is that the execrable kidnappings of Francisco Santos, Diana Turbay and her companions, and Mrs. Marina Montoya de Perez are political, as was that of Dr. Alvaro Gomez Hurtado. That is why the outcome of this entire process was typically political.

But any negotiation or dialogue naturally requires the release and safe return of the newsmen and other kidnapped citizens.

* Confession Details Galan Assassination Plans

91SM0026A Bogota SEMANA in Spanish 2 Oct 90 pp 26-29

[Text] This issue of SEMANA contains Jose Orlando Chavez Fajardo's confession of his participation in the murder of Luis Carlos Galan. Chavez is the famous "poster man" who was killed months later for that evidence. SEMANA has obtained previously unpublished excerpts from the file on Galan's murder revealing details surrounding the assassination of this key witness.

"On the afternoon of the murder of Senator Luis Carlos Galan Sarmiento, Jaime Eduardo Rueda Rocha drove by in a red Toyota at about 6:30 in the afternoon and said to me, 'Orlando, we're going to Soacha.' As soon as I got into the car, he gave me a pistol. He said we were going to a campaign appearance of Dr. Luis Carlos Galan." Thus begins the testimony of Jose Orlando Chavez Fajardo, the man who supplied the key to the identification of the two hired gunmen who murdered Luis Carlos Galan on 18 August 1989. Known as the "poster man," Chavez Fajardo was used to cover up the material authors of the crime. Later, under arrest, he decided to confess his participation in the attack that took the Liberal candidate's life.

On 20 September 1989 in Bogota, a month after the tragic events, in accordance with orders from the 13th Brigade Commando, Judge 113 of the Military Criminal Court took Chavez Fajardo's free and voluntary confession. A native of La Palma (Cundinamarca) with scarcely a third-grade education, Chavez Fajardo could show no ID, claiming to have lost it, but said he was 29, single, and an emerald dealer by trade. Chavez Fajardo narrated his participation in Galan's murder as follows:

[Judge] What can you tell us about the death of Dr. Luis Carlos Galan Sarmiento? Would you please narrate all you know or have heard about those events?

[Chavez] As soon as we got there (Soacha), he (Rueda Rocha) gave me a poster on two sticks with "Dr. Luis Carlos Galan, Next President" written on it. He gave me the poster and said, "We are talking about the death of Luis Carlos Galan Sarmiento." He said, "You take the poster and stand on the lefthand side of the platform" and said that as soon as I heard shots to let go of the

poster and fire two or three rounds to confuse the enemy. If I did that, they would give me a house and a car. That is what Jaime Eduardo Rueda Rocha told me. He also said he was being paid by Gonzalo Rodriguez Gacha and Chucho Cortes, Guillermo Laverde and Chucho Laverde. He said if I refused to do it, my family and my life were in danger.

It was about 8:00 at night. Of the ones involved in the killing of Dr. Luis Carlos Galan, the brain behind the organization and execution of the plan was Jaime Eduardo Rueda Rocha. I have known that individual for about eight years in the Muzo mines. He is from Yacopi. He is about 5'3", good-looking, but after the death of Dr. Galan, he had marks put on his face. He is dark or olive-skinned, about 33, but looks 25. He is thin, has a red spot on his face just under the sideburns and light brown eyes. First he worked in Los Naranjos mines. After he left there, he joined the urban organization of the FARC [Revolutionary Armed Forces of Colombia] guerrilla forces here in Bogota. He later deserted the FARC and went to work for Gonzalo Rodriguez Gacha. Pedro Paez (aka Najaro) and Heberto Rueda, Jaime Rueda's brother, were also involved in the killing. There were others, but I don't know who they were.

It was about 8:00 at night when I picked up the poster with some other guys, as he ordered me to do. It was when Dr. Luis Carlos Galan arrived, mounted the platform, and started to greet the people that I heard the shots where Dr. Galan was standing. I heard a machine gun burst opposite him. I immediately dropped the poster and fired at the ground once or twice, then ran out and mingled with the people. I made my own way home, which is in the Lujan district on 63d and Boyaca, adjacent to Villaluz.

[Judge] Please tell us where and at what time you met with Jaime Eduardo Rueda Rocha.

[Chavez] He went by my house in the Lujan district at about 6:00 or 6:30 in the afternoon and we left from there. Only the two of us were going.

[Judge] Tell us the make and model of the car you rode in that afternoon to go to Soacha.

[Chavez] It was a red Toyota with a beige top, an '82 model. I had seen it about a month before that and I think Rodriguez Gacha gave him that car.

[Judge] You said they gave you a pistol along with the poster. Please tell us who now has that pistol.

[Chavez] I threw it down on the ground as soon as everything was over. It was a 9-mm Browning.

[Judge] You say that Jaime Eduardo Rueda Rocha promised he would give you a house and car for participating in those events. What have you received so far?

[Chavez] I have received nothing of what was promised.

[Judge] Please tell us whether, after it was all over, Jaime Eduardo Rueda Rocha or any of the others accompanying him ever saw you again and what they said about it.

[Chavez] The next day, Jaime Eduardo Rueda Rocha went by my house and told me I could count on it, that he had talked with the boss and the boss was very pleased with what we had done.

[Judge] Please tell us whether you know how much money they paid for the deed and if money was paid, who got it.

[Chavez] I do not know how much money they paid, but I do know that every month they pay Jaime Rueda Rocha a million pesos, 300,000 to "Flaco" and another 300,000 to Heberto.

[Judge] Can you please tell us whether you know the reason or motive causing those individuals to take part in the murder of Dr. Luis Carlos Galan Sarmiento? Why did they do it or why do you think they committed that act?

[Chavez] I asked Jaime when it was all over why they killed Galan and he said this was the motive: Galan opposed the self-defense groups and agreed with the Americans on extradition. They said I should not worry about what had happened, that it was nothing out of the ordinary.

[Judge] Do you know or have you heard who gave the order to carry out the murder of Dr. Luis Carlos Galan Sarmiento?

[Chavez] He told me before it all took place, just before we got to the Soacha town square, that Dr. Galan Sarmiento had to be killed, that the orders came from Gonzalo Rodriguez Gacha, Chucho Cortes, Chucho Laverde, and Guillermo Laverde.

[Judge] Please tell us how you were arrested: the place, the time, by whom.

[Chavez] Four individuals arrested me as I was leaving my house in the Lujan district yesterday, 19 September, at about 2:00 in the afternoon, two or three blocks from my house. I saw a yellow Toyota pull up and park. As soon as they parked, I took off running. The F-2 agents shouted at me to halt. When I didn't stop, they fired shots into the air. I ran about two blocks back toward my house and ducked into a supermarket, which is where they caught me and asked me why I was running away. I told them somebody was going to kill me. Then they handcuffed me and put me in the car.

[Judge] Please tell us where you got what appears to be a new scratch on the upper part of your nose.

[Chavez] What happened was this: When I took off, I ducked into a supermarket and near the back a door was open and I ran all the way to the back. The owner of the supermarket was in back and had a gun in his hand pointed at me, and he told me to get out or he would kill

me. I told him I wouldn't because they were going to kill me, and as we were struggling, he pushed me into some baskets and shoved me out. When he pushed me into the baskets, I hit my head and got this scratch and was hit over the left eye.

[Judge] Please tell us whether, if asked and, if possible, under the same oath and before the proper authorities, you would be willing to stand by what you have said or go further into detail if necessary.

[Chavez] Yes, Your Honor, I am willing to confirm what I have said in this statement and go further into detail if necessary.

Not I

This statement, given voluntarily and of his own free will, would cost Chavez Fajardo his life months later. From prison, Rueda Rocha still pulled the strings of a sinister organization of hired killers that never ceased its criminal activities.

A week after this free and voluntary statement, Chavez Fajardo, being held at SIJIN [expansion unknown], gave an unsworn statement before a justice of the peace. On that occasion, Chavez said he had nothing to do with Galan's murder and added that "I am innocent of those things." He admitted that he was under no pressure, when he said what he did a week earlier, but did so "because I was afraid. I didn't know what I was talking about or even what was going on. I thought they were going to kill me and I answered 'Yes' to everything they asked and said I was the one."

Authorities have no doubt about Chavez Fajardo's participation in the attack on Galan because he appears in the video which the cameraman for the Liberal leader's campaign courageously made of the hit. In blowups of the pictures, not only can he be seen holding the notorious poster, but he can even be recognized fleeing into the terrified crowd, an escape he recounted in his initial confession. In his retraction, Chavez argues it is not he in the photo, although there is a great resemblance, and that he saw the news on television, allegedly at home ill with a kidney problem. Inasmuch as he stood by the rest of the confession and the denunciation of others who were in fact involved, his information provided grounds for his release based on the fact that he did cooperate and that he did not actually fire on Galan.

Officials maintain that Rueda Rocha offered Chavez 30 million pesos to retract his testimony, but the latter wanted to save his skin and, even though he took back a large part of the statements he initially made, stood by what he had said about Rueda Rocha, this time under oath: "Yes, he told me he had planned how Dr. Galan would be killed. I asked him who was in on it and he said Heberto Rueda Silva, who was to stand guard over the area because he had to know where the police would be, and Pedro Paez (aka Najaro)."

Obtaining his release in September on the condition of periodic appearances, Chavez remained in contact with authorities for several weeks. He then notified them of a trip to Cali and disappeared. News was received of him later when he was shot and nearly killed by a man with a pistol, turning up at La Hortua with eight bullet holes. Then he dropped out of sight. However, on Sunday, 5 August, Chavez Fajardo was found murdered in the streets in southern Bogota, a week after the first anniversary of the assassination of Luis Carlos Galan.

Authorities maintain the intellectual author was Jaime Eduardo Rueda Rocha, who paid 50 million pesos for the hit. A month and a half later, on 18 September, Rueda Rocha, the principal defendant accused of the murder of the Liberal candidate, escaped from La Picota prison, under the very noses of prison officials.

Ecuador

* Poll Ranks Potential Presidential Candidates

91SM0023A Quito EL UNIVERSO in Spanish
26 Sep 90 p 9

[Text] During the month of August, CEDATOS [Ecuadoran Data Company] conducted a poll in Quito and Guayaquil, based on a representative sampling of 100 persons, including: writers, editorialists, analysts, political leaders, business leaders, leaders of professional associations, leaders of blue-collar and white-collar labor unions, and representatives of the indigenous population, the students sector, and women's sector. In the methodology of scientific polling, this one is known as an in-depth survey. It is not a probabilistic sampling representative of the population as a whole, but rather of those having the most contact with population groups, and who, through their activities, can become molders of opinion.

CEDATOS polled these representative persons on: their opinions with respect to the country's current problems in the economic, social, and political spheres, and with regard to suggested possible solutions; on the evolution of the government, and the performance of the president and his ministers; on the National Congress; on the political outlook, and the country's business and political leaders; on presidential prospects, on persons exhibiting the most statesmanlike qualities, and their credibility in the eyes of the country; and on the media and their role with respect to the nation's problems.

EL UNIVERSO presents at this time some of the results of the CEDATOS poll of opinion leaders, in terms of the political figures most widely mentioned as potential candidates for the presidency of the Republic. CEDATOS asked the people being interviewed to identify the most statesmanlike among the political leaders. For this purpose each person was asked to select from prepared lists of three names each, the one whom they deemed to be most suitable in terms of presidential material.

Results

CEDATOS presented five such groups of three public figures each to each person. The first group consisted of Rodrigo Paz, architect Sixto Duran, and lawyer Abdala Bucaram. In Quito, architect Sixto Duran scored the highest with 52.1 percent of the straw vote, followed by Rodrigo Paz with 39.6 percent, and lawyer Bucaram with 2.1 percent. In Guayaquil, architect Duran also led, with 35 percent, followed by lawyer Bucaram with 25 percent, and Rodrigo Paz with 15 percent.

Among Rodrigo Paz, Sixto Duran, and Abdala Bucaram, who do you think is really presidential?

	Quito	Guayaquil	Total
Rodrigo Paz	39.6	15	27.1
Sixto Duran	52.1	35	43.4
Abdala Bucaram	2.1	25	13.8
None	4.2	10	7.2
Don't know/no response	2.1	15	6.5
Total	100	100	100

The second group consisted of Dr. Jamil Mahuad, economist Alberto Dahik, and lawyer Jaime Nebot. In Quito, Dr. Mahuad led with 45.8 percent, and was followed by economist Dahik with 29.2 percent, and lawyer Nebot with 12.5 percent. In Guayaquil, lawyer Nebot drew 40 percent, Dr. Mahuad 25 percent, and economist Dahik 15 percent.

The third group drawn up by CEDATOS was comprised of architect Sixto Duran, lawyer Bucaram, and lawyer Nebot. In Quito, architect Duran drew the highest rating with 66.7 percent of the total, lawyer Nebot ran second with 12.5 percent, and lawyer Bucaram third with only 10.4 percent. In Guayaquil, the running was: Architect Duran 30 percent, with lawyers Bucaram and Nebot tied at 25 percent each.

Question: Among Sixto Duran, Abdala Bucaram, and Jaime Nebot, who do you think would be the best in terms of presidential material?

	Quito	Guayaquil	Total
Sixto Duran	66.7	30	48
Abdalla Bucaram	10.4	25	17.8
Jaime Nebot	12.5	25	18.9
None	4.2	5	4.6
Don't know/no response	6.3	15	10.7
Total	100	100	100

The fourth group was made up of Rodrigo Paz, Andres Vallejo, and Dr. Mahuad. In Quito, Paz ran first with 39.6 percent of the total, Dr. Mahuad second with 32.3 percent, and Vallejo third with 16.7 percent. In Guayaquil, Dr. Mahuad received 40 percent of the total, Paz 35 percent, and Vallejo five percent.

CEDATOS' fifth and final group pitted Vallejo, engineer Raul Baca, and economist Dahik against each other. In Quito, the results were: economist Dahik 37 percent, and ID [Democratic Left] militants Vallejo and engineer Baca 25 percent each. In Guayaquil: Economist Dahik 50 percent, and Vallejo and engineer Baca 15 percent each.

Paraguay

'Text' of IMF Letter of Intent Published

PY0611000190 Asuncion ABC COLOR in Spanish 4 Nov 90 Economic Section pp 6,7

["Text" of letter of intent sent by the Economic Team to IMF Managing Director Michel Camdessus on 12 October 1990]

[Text] 1. The democratic Paraguayan Government that took power in February 1989 inherited a difficult economic situation. After a strong contraction of the Gross Domestic Product [GDP] at the beginning of the 1980's, the economy grew at a relatively satisfactory rate, although inflation increased to high levels compared to the country's historical experience.

The acceleration of inflation was accompanied by a strong reduction of international reserves and the accumulation of delayed payments on the foreign debt. These problems were the consequence of a strong fiscal imbalance (partially covered by foreign exchange subsidies to the public sector under the system of multiple exchange rates), a strong expansion of domestic credit, negative interest rates, and several structural conditions.

2. The new government of President Andres Rodriguez has implemented important measures to face these problems. Only weeks after taking over, the government decreed the unification and flotation of foreign exchange rates and eliminated the system of bank withholdings on

exports. These measures helped to increase the competitiveness of our exports and clarify our public finances.

Important efforts were later made to reduce the fiscal deficit by increasing taxes, collecting delayed royalties and compensation from the Itaipu binational Entity, adjusting public utility rates, and controlling our fiscal spending. These measures were accompanied by interest rate adjustments and the simplification and reduction of customs tariffs.

3. These corrective measures and the existence of a favorable external climate—until the current oil crisis—were reflected in a satisfactory level of economic activity and the accumulation of international reserves, although accompanied by additional delays in foreign payments.

The GDP in real terms increased at an average rate of 4.5 percent during the past two years despite the climatic problems of 1990. Our international reserves grew from low levels at the beginning of 1989 to nearly $610 million in September 1990.

Prices during the past 18 months, however, have increased alarmingly. Inflation went from 17 percent in 1988 to 29 percent in 1989 and 35 percent in the 12 months ending in September. The recent marked revaluation of currencies of neighboring countries and adjustments made to public utility rates and salaries increased the inflationary pressure. The main factors, however, have been the persistent negative interest rate and the rapid expansion of credit to the private sector in a situation of rapidly increasing international reserves.

4. The corrective fiscal measures and the collection of royalties and compensations from Itaipu mentioned above have produced a change in the public sector's financial position, which moved from a deficit of 2.4 percent of the GDP in 1988 to a surplus of 2.3 percent of the GDP in 1989 and a probable surplus of 2.2 percent in 1990.

There are still important fiscal problems that must be corrected. The tax burden in Paraguay—close to 8.5 percent of the GDP—is one of the lowest in the world, reducing the government's capacity to provide adequate basic services and infrastructure. Furthermore, many public enterprises have been unable to fulfill their contractual obligations and have accumulated overdue payments to foreign creditors and to the Central Bank. The negative effects of these debts on the profits of the Central Bank has restricted the latter's ability to participate in open market operations or to reduce or to make profitable the legal reserves [of the banking and financial institutions] and the deposits of public organizations.

5. The Paraguayan Government is committed to correcting these macroeconomic imbalances and carrying our structural reforms in order to drastically curb inflation, improve prospects for growth and employment in the country, better distribute income, and strengthen the balance of payments.

The private sector has been assigned a key role in the nation's effort to increase savings and domestic investments and to attract foreign investors. At the same time the government will continue its efforts to increase the efficiency and openness of the public sector and to improve its financial standing.

6. Within the framework of this medium-term strategy, the government's economic program through the end of 1991 is aimed at the following: reducing the inflation rate from the estimated 45 percent in 1990 to 15 percent in 1991; paving the way for future reductions of the inflation rate in years to come; normalizing payments abroad; and maintaining a GDP growth rate of approximately three percent [period not specified].

To fulfill these objectives, the government will implement a cautious fiscal policy, which will be backed up by a prudent credit policy, including structural adjustments, adjustments in interest rates, and the maintenance of a flexible exchange rate to ensure an adequate level of competitiveness with other countries.

The policies will be backed up by a reform of the financial system and the streamlining of operations of key public companies.

7. The government has given high priority to measures designed to alleviate poverty, to create jobs in the private sector, and to improve income distribution. Specific actions in this field will include agrarian reform, rural development projects, and a number of health, education, infant nutrition, and low income housing programs. Considerable progress toward the achievement of these objectives will be made through the reduction of the rate of inflation, which severely jeopardizes the standards of living of low-income social groups. In the medium term the government will also try to modify the tax system to make it more equitable as described in Paragraph 10.

8. In support of its economic program, the Paraguayan Government requests a stand-by loan from the IMF for a period of 15 months, through March 1992. The main features of this program, including its quantitative targets, follow.

9. The program target for the public sectors surplus is 0.5 percent of the GDP in 1991, compared with an estimated 2.2 percent of the GDP-related surplus in 1991.

The 0.5-percent GDP-related surplus in 1991 will result from a 1.2-percent GDP-related surplus for the government (central administration and decentralized agencies) minus a 0.7-percent GDP-related deficit for public enterprises.

The program includes the nonfinancial public sector's quarterly needs for financing from domestic and external sources. The government's current revenues are projected to remain at about 13.5 percent of the GDP, including royalties and compensations from the Itaipu Binational Entity.

The government's total expenditures would increase from an estimated 10.5 percent of the GDP in 1990 to 12.25 percent of the GDP in 1991 through an increase of public investments from the current low levels and an increase in outlays for salaries and pensions.

The increase in salaries and pensions primarily reflects corrective readjustments in teachers' salaries and possible readjustments of pensions for Chaco War veterans.

To limit the growth of expenditures in wages and salaries in the public administration, we have established rigorous criteria to control new hiring; new hiring will be practically frozen, except in very special cases which will be personally authorized by the president of the Republic and cleared by the finance minister.

To reduce public employment in the medium term, the government will not automatically fill vacancies resulting from voluntary resignations and retirements and will only make selective readjustments of salaries for certain categories of specialized professionals.

The 1991 budget also contemplates an important increase in social expenditures, mainly in education, health, housing, and agrarian reform, to alleviate existing deficiencies in these sectors.

10. The government has prepared the first draft of a reform of the tax code and is now receiving suggestions from the private sector that will be considered for inclusion in the revised version.

The objective of this reform is to simplify the tax system, making it more equitable and flexible, to ensure the growth of national revenues and to make the allocation of resources more efficient.

The proposals being discussed include the replacement of 80 taxes with a total of 12, including a value-added tax and a personal income tax. The revised version of the tax code reform will probably be introduced in Congress during the next period of sessions.

In the meantime the government will introduce the measures it deems necessary to correct the erosion of the tax base caused by inflation in recent years. These measures will include the readjustment of some specific taxes and updating of tax-assessment values of urban and rural properties to better reflect their market value.

Moreover, our continuing efforts to control tax evasion and improve tax administration will be stepped up. With this goal in mind, the tax administration has been consolidated under a new Tax Revenues Undersecretariat in the Finance Ministry.

The Single Taxpayers Registry [Registro Unico de Contribuyentes], which has been gradually implemented over the last two years, is now fully operational and the staff of tax inspectors will be increased to make more meticulous and frequent audits possible.

11. The government's long-term strategy for public companies is to increase efficiency and to modernize the entities that provide services and basic raw materials. These entities include electricity (ANDE) [National Electric Power Administration], telecommunications (Antelco) [National Telecommunications Administration], water and sanitation (Corposana) [Water and Sanitation Corporation], and oil (Petropar) [Paraguayan Petroleum, Inc.]

The state will also attempt to reduce its participation in activities that have produced large deficits in the past, such as the production of steel and iron (Acepar) [Paraguayan Steel, Inc.], cement (INC) [National Cement Industry], alcohol (Apal) [Paraguayan Alcohol Administration], the national airline (LAP) [Paraguayan Airlines], and the merchant fleet (Flomeres) [State Merchant Fleet].

The first measures will be to reduce costs, sell assets, and straighten out external and domestic debts. The government will carry out an audit of the Central Bank's portfolio of debts with public enterprises to find mechanisms to correct the situation as soon as possible.

At the same time the legal status of these companies will be changed to allow national and foreign investors to purchase shares of these companies over the medium term. Efforts to improve the efficiency of public companies will be backed up by a policy of gradually increasing public utility rates to levels that will allow companies to cover their operational costs and a large portion of their investments and debt services.

In keeping with this policy, public utility rates were increased in May 1989 and January and April 1990. Additional adjustments were implemented in September 1990, including—because of the recent hikes in international oil prices—a 33-percent increase in fuel prices and the elimination of subsidies on diesel oil for transportation owners; a 20-percent increase in electricity and telephone rates; and a 50-percent increase in water rates.

The government will closely monitor the finances of public companies and, as a matter of course, periodically revise its rates in keeping with the evolution of costs. Furthermore, the government will make special adjustments to fuel prices to the extent necessary as a result of future increases in international prices.

12. Salary policy will be consistent with the growth of employment in the private sector, the decline of inflation, and the need to maintain competitiveness with foreign products. Salaries for public servants were increased by 10 percent in July 1990, and the minimum wages for private sector employees were increased by 15 percent in June 1990 and an additional 15 percent in September 1990.

Future salary hikes throughout the duration of this program will be consistent with fiscal objectives and the

program's goal of reducing inflation. Private sector wages above and beyond the minimum will continue to be dictated by the market.

13. The monetary program that is being implemented has been designed to drastically reduce the inflation rate and to achieve a balance of net international reserves in 1991 while allowing, at the same time, a reasonable increase in credit available to the private sector.

This objective is set forth in the program for quarterly restrictions on net domestic assets and net international reserve targets of the Central Bank. The executive branch has submitted a bill to the legislative branch to amend Article 63 of the Central Bank Charter to allow commercial banks to grant loans in foreign currencies.

Moreover, the Central Bank will authorize commercial banks to carry out export prefinancing operations in foreign currencies.

The amounts involved in both operations are anticipated to be limited initially, while the participants gain experience. The program, however, does set indicative limits on the net internal assets of the banking system, which will be closely supervised by monetary authorities so that corrective measures can be adopted should the inflow of capital significantly surpass the amounts projected in the program.

14. In recent years Paraguay's financial system has been affected by a lack of adequate instruments for monetary control, high legal reserves, minimum sectorial portfolio requirements, and insufficient supervision of financial institutions.

Limits on interest rates for borrowing and lending have discouraged financial savings in local currency, distorting the allocation of credits and making commercial banks strongly dependent on subsidized discount-rate loans from the Central Bank.

To correct these problems, the government has begun to implement a broad reform of the financial system. The main elements of this reform are: a) a liberalization of interest rates; b) the creation of adequate instruments for monetary control, including a money window that will lead to open market operations with monetary regulation letters and term deposits; c) the creation of adequate conditions for programming, supervising, and implementing monetary policy; and d) a strengthening of prudent controls over the financial system.

Some of those measures have already been implemented in 1990. In January interest rates on loans from financial institutions, covered with deposit certificates, were liberalized. In February the Central Bank discount rate was hiked 1.75 percentage points, raising it to 22.75 percent (and to 19.75 percent at the National Development Bank). In March the Central Bank authorized the operation of a money window and submitted a bill to Congress to eliminate obstacles for the operation of an open market, which is expected to begin operations soon.

In April, interest rates on savings and term deposits in banks and financial institutions were liberalized, completing the liberalization of borrowing rates in the financial system.

Even more important was the October announcement that limits on bank lending rates had been eliminated and that the Central Bank discount rate had been readjusted from 22.75 to 30 percent (28.5 at the National Development Bank).

In January 1991 we will announce a new system for determining the discount rate, based on a reference rate higher than what it costs for commercial banks to raise money by attracting deposits. This system will stimulate commercial banks to compete for new deposits instead of resorting to Central Bank discount-rate loans.

At the same time, the Central Bank discount rate charged to the National Development Bank will be made equal to that charged to the commercial banks.

15. As a consequence of the recent oil price increases, it is expected that the current balance of payments account will deteriorate, resulting in a deficit of 0.8 percent of the GDP in 1990 and a deficit of 2.7 percent of the GDP in 1991, notwithstanding increased export earnings and the income from Itaipu royalties and compensations. The program also envisions a reasonable increase in nonoil imports. To ensure an adequate degree of competitiveness in the foreign market, the Central Bank will maintain its policy of a floating U.S. dollar exchange rate and aim its actions at moderating seasonal rate fluctuations. To control internal liquidity, the Central Bank will intensify actions when required to temper the influence of large, unexpected supplies of capital on the domestic market.

16. As has been observed, in recent years Paraguay has accumulated a large amount of debt in arrears and will still be facing high foreign debt obligations during the term of the program. In September 1990 Paraguay eliminated its foreign debt with Brazil within the terms of a debt restructuring agreement signed in April 1989. Paraguay paid $436 million (equivalent to 22 percent of the total remaining Paraguayan foreign debt by the end of 1989) at an average discount of 75 percent, thus contributing to greatly lightening debt servicing in the medium term. To completely normalize its relations with foreign creditors, the government will request a rescheduling of its debt with Paris Club creditors. It will also seek to reach an agreement with commercial banks to restructure its debt based on market criteria with several options. Within this context, the overdue foreign debt will be reduced and finally eliminated. Management of debt policy will be aimed in general at improving payment terms to obtain a more favorable profile of the Paraguayan foreign debt. For this purpose, external financing will consist mainly of long-term loans from multilateral and bilateral institutions and reductions in short-term and commercial-term debts.

The Finance Ministry and the Paraguayan Central Bank will also strengthen their mechanisms for approving and controlling the foreign debt. The total guaranteed or public foreign debt of Paraguay, which has been estimated at $1.6 billion by the end of September 1990, will not exceed $1.8 billion by the end of 1991. The program includes the imposition of quarterly ceilings on the overall public foreign debt as well as on debts that will have to be repaid within five years.

17. By the beginning of 1989, the import and export tariff system had been simplified considerably and a new system had been established through lowering duties on imports from neighboring countries and on items of tourist interest. As can be seen, the appraisal system [aforos] was replaced by a temporary system of withholdings on traditional exports ranging from one to seven percent. In January 1990, import duties on cars were reduced from 32 to 18 percent for gasoline cars and from 20 to 12 percent for fuel alcohol cars. The government will introduce additional modifications to the mid-term trade policy with the purpose of lowering effective protection and sectorial dispersion and increasing incentives on exports. With this goal in mind, the government will seek the help of the World Bank and other international agencies to design and implement a more efficient import and export tax structure and to reduce nontariff barriers.

The government will also seek to identify new income sources that will allow it to eliminate the withholdings on exports in the medium term. Paraguay has requested admission to the GATT and the Multilateral Investments Guarantee Agency (MIGA) and has started negotiations with its neighboring countries to accelerate the regional economic integration process.

18. The Paraguayan Government believes that the policies outlined here will be instrumental in achieving the program's objectives. The government will, however, take any appropriate additional measures that may be required to achieve these objectives. The government will create a permanent task force made up of representatives from the Ministries of Finance, Industry and Commerce, and Agriculture and Livestock; the Central Bank; and the Technical Planning Secretariat to oversee the program.

During the life of this program, the government will consult with the IMF, following IMF policies for such consultations, on the progress being made in compliance with the policies outlined in this letter and—if necessary—reach new agreements on additional measures. A review of this program with the IMF must be concluded before the end of August 1991. The review will seek to evaluate the implementation of the economic policies and the progress of negotiations with the Paris Club and commercial banks to restructure the Paraguayan foreign debt.

Signed: Enzo Debernardi, finance minister; Crispiniano Sandoval, Central Bank president; Antonio Zuccolillo, industry and commerce minister; Raul Torres, agriculture and livestock minister; and Washington Ashwell, technical planning secretary.

Police Thwart Celebration for Stroessner

PY0611204990 Asuncion NOTICIAS in Spanish 4 Nov 90 p 4

[Text] Using tear gas canisters, the Special Police Operations Force (FOPE) dispersed a demonstration that was staged yesterday by sympathizers of the overthrown President Alfredo Stroessner. They attempted to celebrate the former dictator's 78th birthday.

Since early in the morning of Saturday 3 November, reinforced with fire trucks and Army vehicles, mostly from the Cavalry Division, FOPE antiriot troops cordoned off the square named after the dictator in the San Pablo neighborhood, thus thwarting the party that had been prepared for the birthday celebrations.

Stroessner, who for 35 years held the government with absolute power, was overthrown on 3 February 1989 by Cavalry General Andres Rodriguez who then became the nation's president for the Colorado Party, which had also supported the dictator.

The ousted dictator is now exiled in Brasilia, Brazil. Approximately 1,000 Stroessner sympathizers had gathered at the square that bears the dictator's name in the San Pablo neighborhood. The celebration began with firecrackers, the waving of banners, and the strains of music dedicated to the "general." Led by their chief, General Francisco Sanchez, the police hurled tear gas canisters at the demonstrators who were shouting for the return of the "general." The police also used their clubs to disperse the demonstrators.

Walls and banners around the plaza were painted with slogans like "Stroessner for 1993-98," alluding at the next presidential term, and "Happy Birthday, My General."

Witnesses reported that General Lino Cesar Oviedo was there directing his troops, who arrived in five Army jeeps and several Army trucks.

Peru

Debt Payments to IDB To Begin 15 November

PY0611151290 Lima Television Peruana in Spanish 1100 GMT 6 Nov 90

[News conference by Enrique Iglesias, president of the Inter-American Development Bank, IDB, with unidentified reporters in Lima on 5 November—recorded]

[Excerpt] [Iglesias] [Passage omitted] As for agreements with the IMF and World Bank for an overall loan to Peru, this is not the case. Each institution operates with its own regulations; however, we certainly talk among ourselves because we are working with the same country. Since we have similar problems with unpaid debts, we

must coordinate actions. We must mainly coordinate actions with the World Bank because we are granting loans for the same sectors, and in some cases we cofinance projects. Therefore there are no overall loans, but each bank grants loans for specific programs and priorities, which are obviously coordinated beforehand.

A journalist from Lima EL COMERCIO asked me when Peru will start repaying its debt to the IDB. We know it will be on.... [pauses] On 15 November. The government has said so.

Minister Praises EC's Customs Tariff Benefits

PY0600174090 Madrid EFE in Spanish 0259 GMT 3 Nov 90

[Text] Lima, 2 Nov (EFE)—Peruvian Foreign Minister Luis Marchand today affirmed that the EC's positive political disposition toward the Andean countries is a "clear demonstration" of the will not only of its member governments but also of the EC as a whole.

On 30 October the EC approved financial assistance and customs tariff benefits for Bolivia, Colombia, Ecuador, and Peru to help alleviate the problems caused by coca cultivation and drug trafficking in those countries. Minister Marchand pointed out that the EC has thus given an answer, as an integrated organization, supporting the Andean governments in their coca substitution programs.

He regarded the EC's granting of customs benefits as "support for and an endorsement of" the "seriousness" of the economic policy of Peruvian President Alberto Fujimori.

The Peruvian foreign minister said that with the reduced customs fees, a variety of Peruvian products—agricultural, fishing, mining, and textile goods—will be able to enter the EC market during the four years that this reduction—and in many cases elimination—will be in force.

Marchand estimated that Peruvian exports to the EC, which now total about $1 billion, should increase "significantly" as a result of the measures adopted by the community. He noted that Peruvian imports from the EC, which increased to $330 million in 1989, should increase further in the wake of the tariff reform implemented by the Peruvian Government, thus contributing to greater trade between the two markets.

Marchand on Border Accident, 'Foreign Interests'

PY0611153090 Lima Television Peruana in Spanish 0100 GMT 6 Nov 90

[Text] Regarding the incident involving Chilean Foreign Ministry official Luis Winter, Peruvian Foreign Minister Luis Marchand Stens has said that it was a regrettable accident that is being investigated by Chilean authorities. Marchand also noted that the placement of mines in that border area was reportedly aimed at preventing contraband activities.

The foreign minister reemphasized Peru's good relations with Chile and neighboring countries and said that we must not play into the hands of the foreign interests that are promoting an arms race. Understanding and good relations provide more tranquillity than arms, Marchand Stens pointed out.

[Begin recording] [Marchand] It really was a regrettable accident. I had a chance to personally meet with Ambassador Luis Winter, the Chilean ambassador that was involved in this painful accident, and I read in the newspapers that Foreign Minister Enrique Silva Cimma has asked the Chilean defense minister to remove all mines from the border area.

[Reporter] Why are the mines still there?

[Marchand] Well, those are sovereignty problems. You know that those mines are under Chilean sovereignty. I understand, however, that they were planted there to prevent large-scale contraband problems and to discourage people from contraband activities. Nevertheless, they are still very dangerous.

[Reporter] Foreign Minister, what do you have to say about the reports that Chile is strongly arming itself, that our country lacks war materiel, and that the equipment we do have is obsolete?

[Marchand] I believe that the course of history, the way it is progressing at the universal level, is leading to cooperation, understanding, and close friendship. We have very good relations with all neighboring countries. We must be very careful with certain foreign interests that are promoting arms races with goals that are quite often different from the goals of the countries that end up purchasing arms. [end recording]

Development of Second Coca Region Described

PY0711011890 Lima LA REPUBLICA in Spanish 29 Oct 90 pp 9-12

[Report by Francisco Reyes]

[Excerpts] The 60,000 hectares of coca crops in Alto Huallaga Valley, between Juanjuy and Tingo Maria in San Martin and Huanuco Departments, respectively, are considered the largest coca plantation area in the world. North of Juanjuy, in Lamas, Rioja, Huallaga, Moyobamba, and San Martin Provinces, in San Martin Department, there are reportedly 50,000 more hectares of coca. This "other Huallaga" area has begun to exhibit the same characteristics that led to the view of Alto Huallaga as the "mecca of cocaine." These characteristics include alliances between drug traffickers and terrorists—in this case the MRTA [Tupac Amaru Revolutionary Movement], settling of accounts, daily violence,

destruction of legal crops, large dollar transactions, frequent movement of small aircraft, and many others, while the only thing the government does is retreat.

LA REPUBLICA visited the "other Huallaga" and verified that drug traffickers have begun to establish their headquarters there, and terrorists have begun to impose their own laws to obtain weapons and money. Given the absence of authorities in the "other Huallaga" and the "benefits" gained by local peasants from coca cultivation, large drug trafficking gangs have been formed in this area that even clash with their Alto Huallaga counterparts. This vicious cycle could provoke pitched battles, with incalculable consequences for the country. [passage omitted]

Along a landing strip in a valley near Picota, hundreds of coca producers spread their harvest on the ground to dry in the sun. Soon the "traqueteros"—minor middlemen for Peruvian drug traffickers—will come to weigh the dried leaves or a paste processed with sodium carbonate. For their product, coca producers receive either intis or precious loads of sulfuric acid and sodium carbonate, chemicals essential for obtaining coca paste. These chemicals are generally brought from Tarapoto on four-wheel drive trucks that must cross the Huallaga River. This scene repeats itself every day, but it is incomplete—the subversives are missing.

MRTA columns descend on hamlets along the road, and their settlers are summoned to assemblies where the people may voice their complaints. [passage omitted]

The events described here and witnessed by LA REPUBLICA in the places where they took place are the zone's daily bread. In the last four years, 25 percent of the peasants in the rich valleys of Central Huallaga, Lower Huallaga, and Mayo River Basin, in all provinces of the department, except Mariscal Caceres Province, have gradually begun to engage in coca cultivation, thus creating the "other Huallaga," which has become a large extension of the famous Alto Huallaga Valley.

"The coca leaves in these valleys have a higher concentration of alkaloids than those produced in the Alto Huallaga Valley," an elderly coca producer said. This statement was confirmed by Manuel Arevalo, leader of the Front for the Defense of the Interests of San Martin [Frente de Defensa de los Intereses de San Martin—Fedisam].

According to the Selva Maestra Agrarian Federation [Federacion Agraria de Selva Maestra—Fasma], which is made up of peasants from the region, nearly 30,000 peasants who used to produce rice, corn, and sorghum in the valleys of the Central Huallaga and Mayo Rivers have now replaced their crops with a more profitable one: coca.

There are approximately 150,000 peasants who cultivate crops in San Martin Department. According to a survey carried out by development programs in San Martin Department and by Cordesam [San Martin Department Development Corporation], these 150,000 peasants constitute 75 percent of the total population; however, it is difficult to arrive at an accurate figure given the high migration rate in San Martin Department. [passage omitted]

The immigrant peasants have decided to organize themselves into "coca-producing committees." Some of these committees have made so much progress they are legally registered and have conducted population censuses. These censuses, however, must be constantly updated given the ceaseless flow of immigrants.

Other peasants, who have been in the Central Huallaga Valley for many years producing traditional crops like rice and corn, have reached "basic agreements" to partially or totally dedicate themselves to coca cultivation, Manuel Arevalo said.

According to Fedisam estimates, which were confirmed by peasants on the rice and corn committees, rice and corn production dropped by 12 percent in 1989 and a reduction of about 30 percent is expected this year.

"This means that coca crops grew by 25 to 30 percent in the Central and Lower Huallaga areas—that is, in the so-called 'other Huallaga' area," Manuel Arevalo said.

"Twenty-four thousand hectares of corn and 4,700 hectares of rice were not planted last year, while coca will double its area this year in comparison with 1989," Lucas Cachay, Fedisam president said.

The "other Huallaga" is located in the central and lower part of the Huallaga River basin and its nine main valleys and smaller valleys. Despite the growth of coca crops, the area continues to be one of the largest corn producers in Peru, although with a smaller volume. The production of rice, wood, beef, and milk, and their industrial by-products is currently at a standstill and steadily declining.

The epicenter of the "other Huallaga" is the city of Tarapoto, capital of San Martin Department. Coca producers come to Tarapoto to obtain materials, food, fuel, and tools. It is also a transit area for the "traqueteros."

The city of Tarapoto only has 10 paved roads, but it has the best and most beautiful hotels in the Amazon region. [passage omitted]

Daniel Coral, the prefect of San Martin Province, has said: "When the coca economy falls, so does Tarapoto."

The fact is that 90 percent of Tarapoto's population, directly or indirectly, lives off the coca economy, according to Oscar Cardenas Bartra, Fedisam adviser.

Juan Salvador Jara, president of the Small Entrepreneurs Association [Asociacion de Pequenos Empresarios—Apemip], noted more emphatically: "We all live off coca."

Guillermo Sisley, president of the Tarapoto Chamber of Commerce, wants to keep himself apart. He blames the government and the bad condition of the roads for the current crisis and cost of living increase, but agrees with what all Tarapoto people know: Coca involves not thousands, but millions of dollars.

Oscar Cardenas of Fedisam reckoned that drug trafficking involves $5 million per year and that a good portion of this wealth is in the hands of 10 families in Tarapoto. Guillermo Porto Cardenas, also known as Mosca Loca [Crazy Fly], a native of Bellavista in the Central Huallaga region, left an incalculable fortune and a chain of enterprises, some of which still operate in Tarapoto. [passage omitted]

How did the "other Huallaga" come into being? This happened when the Upper Huallaga began to show signs of saturation. The drug traffickers found cheaper coca leaves and a cheaper labor force in this new region. Obviously, they found a subversive group in need of weapons and money that is less demanding and bloody than the Shining Path, which dominates the Upper Huallaga. All of this, plus the total absence of the government, facilitates the operation of the drug traffickers.

Terrorists Kill One Policeman, Wound Six

PY0611193190 Madrid EFE in Spanish 1928 GMT 4 Nov 90

[Text] Lima, 4 Nov (EFE)—It was disclosed in Lima today that one policeman was killed and six others were seriously injured during an attack on a police station, which was perpetrated by members of the "Tupac Amaru Revolutionary Movement" (MRTA), and in an ambush on a police patrol.

The attack on the police station in Pacaysapa, some 80 km from Tarapoto—which is one of the main towns in San Martin—was perpetrated on Friday, 2 November, by more than 50 armed alleged members of the Guevarist MRTA.

According to police sources, some 10 policemen were at the station. They repelled the terrorist attack but were overpowered and had to flee.

Before fleeing, the terrorists wounded two policemen and two civilians, and seized eight machine guns, uniforms, and bulletproof vests from the police station.

A reinforcement patrol of 20 policemen was sent to Pacaysapa. It was attacked on Saturday, 3 November, while returning to Tarapoto, some 800 km northeast of Lima.

The ambush took place near Tangarana Hill. The terrorists used bombs and opened fire on the vehicle transporting the policemen. Police officer Luque Torres was killed and four others were wounded.

The other members of the patrol repelled the attack and forced the terrorists to withdraw.

On 19 October, General Mario Brito, chief of the political- military command in San Martin, was seriously injured by MRTA activists who shot him while he was going to his garrison in Tarapoto.

Police sources today disclosed that alleged MRTA members opened fire on the facade of Raul Gonzalez' home. Gonzalez is a psychologist who is studying the Maoist "Shining Path" terrorist movement.

This incident took place on Saturday, 3 November. The psychologist, who was in his home in the San Borja District in Lima at the time of the attack, was unhurt because he threw himself on the floor during the attack.

The police have disclosed that several towns in Callejon de Huaylas in Ancash department were affected by a power outage after terrorists knocked down a high tension pylon. In Yungay, terrorists seriously destroyed a school building.

Since the "Shining Path" took up arms in 1980, political violence has caused more than 20,000 deaths and material damage evaluated at $19 billion, according to the congressional commission in charge of analyzing this problem.

Uruguay

Lacalle, Borja Reprove EC Agricultural Subsidies

PY0611201890 Madrid EFE in English 0031 GMT 6 Nov 90

[Excerpts] Montevideo, Nov 5 (EFE)—Uruguay and Ecuador added their voices Monday, 5 November, to growing international concern over the row about agricultural subsidies which could lead to the failure of four years of negotiations to open up world trade.

In a joint statement released Monday, Uruguayan President Luis Alberto Lacalle and his Ecuadoran counterpart, Rodrigo Borja, said the talks were in a "serious situation particularly because of intransigence in the agricultural area."

The European Community has come in for the brunt of international criticism because of its failure to agree to reductions in farm subsidies.

Earlier Monday, Australian Agriculture Minister Neal Blewett said the EC was to blame for holding up the liberalization of world trade and was putting at risk the four-year-long Uruguay Round of talks under the General Agreement on Tariffs and Trade (GATT).

Uruguay along with Australia forms part of the Cairns Group of countries which are heavily dependent on agricultural export. Argentina, Brazil, Colombia, and Chile are also members of the 13-nation organization.

"The failure of the (Uruguay) Round would constitute a return to pernicious protectionism... with negative results especially for Latin American countries," Lacalle and Borja warned in their statement.

Ecuador is not a signatory of GATT, but Borja expressed concern that failure to reduce international trade barriers could "affect the conduct of the industrialized countries with respect to trade with Latin America."

Blewett said Monday that agricultural protectionism currently costs the countries of the Cairns Group a total of $100 billion per year. [passage omitted]

Ecuador and Uruguay signed an accord Monday on technical and scientific cooperation in the fields of agriculture, the promotion of small and medium-sized companies and in social security programs.

Several Agreements Signed During Borja Visit

PY0611144690 Madrid EFE in Spanish 1303 GMT 6 Nov 90

[Text] Montevideo, 6 Nov (EFE)—Ecuadoran President Rodrigo Borja ended his 39-hour official visit to Uruguay today and departed for Brazil, the third and final leg of his tour of South America, which began in Argentina.

Borja met with his Uruguayan counterpart Luis Alberto Lacalle during his stay in the country. He also visited the Uruguayan Congress, the Latin American Integration Association (ALADI), the Supreme Court, and the University of the Republic. The Ecuadoran president also received the key to the city from Montevideo Mayor Tabare Vazquez.

Uruguay and Ecuador signed several agreements for economic and scientific-technical cooperation and two agreements on social security and telecommunications.

Deterioration of Authority Principle Viewed

PY0611233590 Montevideo BUSQUEDA in Spanish 1-7 Nov 90 p 3

[Text] A publication issued by a social center for members of the Armed Forces has reported on the progressive deterioration of the principle of authority. The publication also notes that since 1985 the Armed Forces "have remained alert in view of the conspicuous denationalization process, the social decay, and the deterioration of the state apparatus," for which reasons "the military have not forgotten nor given up their rifles."

The editorial of the bulletin published by the Artiguista Library of the General Artigas Officers Club states: "The progressive twisting of human rights as a result of the deterioration of the principle of authority unavoidably disrupts all order, be it moral, social, political, or judicial."

The editorial asserts that "the recent victory of the Armed Forces is being reversed through both subtle and aggressive means."

The article then says: "Although there are no organized armed attacks, political confrontations are avoided, students do not protest, there are no assorted labor union rallies, (and) the media resort to critical rather than combative procedures," this "apparent normalcy—which is happening without being assessed, without charges, and without opposition—is a gradual and hardly perceptible revolution, although real and destructive, that has spread to the point where it has reached the most deep-rooted national cultural values."

After referring to the displeasure of some political sectors over the performance of the police, over those who challenge the authority of public institutions, and over some court decisions, the editorial states that it has been suggested that "the military should forget their rifles and begin to think." The editorial interprets this way of thinking as an attempt "to consider unquestionable the Armed Forces complete subordination to an eventual electoral victory by determined political groups."

Correction to Reduction in Union Influence

PY0611112090

The following correction pertains to the item headlined "Communists To Reduce Influence in Trade Unions," published in the 5 November Latin America DAILY REPORT, page 68:

Column two, paragraph six, second sentence, make read: ...Ruben Villaverde (FFOSE) [Federation of State Board of Sanitation Employees], Manuel Barrios (construction workers), and Gerardo Rey (AUTE) [General Administration of State Power Plants and Telephones Workers Association].

Only two communist... (providing expansion, correcting editorial note)

Correction to Report on 22d Communist Congress

PY0511202290

The following correction pertains to the item headlined "Communist Party Holds 22d Congress," published in the 5 November Latin America DAILY REPORT, page 66:

Page 68, column two, third full paragraph, only sentence, make read: ...resolutions—raised some "contradictions:" "We will change the classes in power, but by using such undefined and undeterminable ways, asking the ruling classes' permission to replace them with remarks (that are)... (supplying opening quotation mark and omitted word, rewording for clarity)

Guyana

Sugar Workers Awarded 50-Percent Pay Hike

FL0511185190 Bridgetown CANA in English 2215 GMT 3 Nov 90

[Text] Georgetown, Guyana, Nov 3, CANA—Guyana's 20,000 sugar workers are to get a 50 percent pay hike

retroactive to October 1 this year, the state-owned Guyana Sugar Corporation (Guysuco) announced Saturday.

Guysuco, now being managed on contract by the United Kingdom firm, Booker Tate, says the decision to pay the increases follows "extensive discussions" over the last three weeks with the three recognised trade unions representing workers in the industry. The 50 percent pay hike will be in addition to a 25 percent increase awarded sugar workers earlier this year. It will move the minimum wage in the industry from about 50 dollars (one Guy dollar = 2.2 U.S. cents) to about 75 dollars per day. The corporation did not indicate how much the increased wages and salaries would cost. The agreement will cover the six-month period, October 1990 to March 1991, and a new agreement will be negotiated around February/March next year to be effective from April 1, 1991.

The corporation says the three sugar unions have expressed the desire to work with Guysuco in a spirit of consultation, and to observe procedure and regulations, to improve work standards, and to ensure increased planting, production, and rehabilitation of the industry. The main sugar union, the opposition-linked Guyana Agricultural and General Workers Union (GAWU), says it has accepted the 50 percent pay hike as an interim move to ease workers' economic burdens.

Guyana's International Monetary Fund-monitored economic recovery programme launched last year, April, has failed to reach projected targets because of a variety of factors, chief of them being industrial action in the important sugar and bauxite industries. The country this year failed to meet its lucrative European Community sugar quota.